THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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BRITISH ELECTION NOT PREFERENCE TRADE SET BACK

Policy Had Its Beginnings in Sheffield Trade Union Circles

CANADIAN TAXATION

New Finance Minister Will Endeavor to Relieve Present Chaotic, Irritating Conditions

Two favorable and far-reaching signs for Canadian business are to be noted this week. The first is the great British vote for protection; the other, the placing of the National Finance Department temporarily under Hon. Mr. Robb.

Canadians, if disappointed, are greatly encouraged by the large direct vote for Baldwin. Then there is the fact that among the British Labor M.P.'s prevails a strong sentiment for preferential tariffs within the Empire. It is doubtful if a million votes would have been cast for protection ten years ago. Now they exceed four million. It was in the Trades' Union Council of Sheffield, about thirty-five years ago, that the scheme was evolved. Moreover, all parties, free trade Conservatives as well as Liberals and Labor, showed by their utterances as the campaign progressed that they recognized a general demand for some Empire trade scheme which must be met. Strong evidence of its value, and hence the belief that it would eventually come, is that the great and far-seeing United States industrialists and financiers, like the Standard Oil, United States Steel Company, and many others, have established plants in Canada to be in a position to take advantage of the great Empire trade that would thus be developed.

The two counties that would suffer most are Germany and the United States, and both countries have done everything possible to delay and prevent progress. The first practical step was the preference given to British goods by the Liberal government of Canada. German influence delayed its ratification by Britain, and then in spite, the German government struck a vicious blow at Canada by a super-tax. When Chamberlain arranged a preference on Canadian wheat, United States influence, exerted through Ambassador Choate killed it when Chamberlain was temporarily absent in South Africa. All the time, Germany and the United States have been keeping alive the free trade propaganda agencies. Even the central organization, the old Cobden Club, came secretly under German industrialists, and when any British public man, or paper, showed sympathy for protection he was howled down by hecklers in German pay. When the question came up at the Imperial Chambers of Commerce, it was noticeable that British delegates who made the most violent anti-preferential speeches had a marked German accent, whether they hailed from London, India, or other distant colonies. The most active opponent of this Imperial policy in the campaign just closed was Sir Alfred Mond, now the most powerful of the British-Germans; and it is significant and encouraging that this group, the Lloyd George Liberal wing, suffered the most severely at the hands of the voters.

All will regret the illness of Hon. Mr. Fielding. The heaviest portion of national administration in its most serious times fell upon him. His department was badly manned and incompetent for its great job. Always conscientious, he had many times to assume burdens that should have been handled by others, and it is amazing that he has gone on so long and so well. The selection of Hon. Mr. Robb to act in his absence is a surprise. He had just begun to organize what had been th eweakest department at Ottawa—Immigration—and he is needed there. His transfer is regarded as a recognition by the premier of the seriousness of the business situation, due to the heavy taxations and the growing dissatisfaction arising out of unbusinesslike methods of collectors. Mr. Robb has saved the Liberal party when they were in opposition, and on several occasions since they have come into power. He has had successful experience in business and as a political diplomat. He is trusted by those who have had dealings with him since he has been in Ottawa. He is more outspoken than Mr. Fielding and abhors time-wasters and red tape. Given good experts about him, in which the finance department is woefully weak at present, and relieved of all other responsibility, it should not be his fault if the government fails to rehabilitate itself and relieve the business of the country from its present depressing condition. Already he has, it is said, expressed his disapproval of the sales tax as it now is, and of many of the petty taxes, and there is every hope that the Cabinet will suspend their coming into force. The turnover tax seems to be gaining favor.

There has been no change in the domestic situation. The unusually warm weather is making business bad for seasonable goods. Christmas trade has been looking up a little, but still seems to average below last year's.

Hospital Bill Not Now a Prior Claim to Mortgage

EDMONTON.—Another item that prejudiced the security of farm mortgages in Alberta has been swept aside by the decision of the appellate division of the supreme court, which held that hospital charges paid by a municipality for a patient and added to his tax bill, do not take precedence over the mortgage.

Recently THE FINANCIAL POST outlined ten prior claims, which, under legislation in Alberta, have been given preferred status over the so-called "first" mortgage. Such a situation has been created that capital has become very chary of the province, and the staple interests realize that there must be improvement if the funds desirable for the development of the resources of the province are to be secured.

FINANCE DEPT. HAS BIG SAY AS TO POSTAGE RATE

Reduction Will Depend on Cutting Country's Expenses

From Our Own Correspondent.

OTTAWA.—Post office revenue is increasing, the returns for the eight months of the fiscal year to November 30 showing total receipts of $18,000,000, as compared with $17,100,000 for the same months last year. Expenditure is being kept pretty well in hand, for during the same months it was $12,626,841 as compared with $12,214,893.

It is probable, however, that with the issuing of excise stamps, which have taken the place of postage stamps on cheques, notes, etc., the post office receipts will fall off, for there has been an impression that much of the increase in revenue has been due to sales of postage stamps used in payment of several taxes. In November, for example, postal revenue was $2,200,000, or $200,000 below that for the same month last year. Expenditure for that month was $2,085,593, as compared with $2,029,767.

Rumors are heard of a probable early return to the two-cent letter rate, but it is impossible to say anything definitely on this subject. If the rate is reduced it will be as much through the action of the finance minister as anything else, and what he does will depend very greatly on the extent to which he needs money. The Hon. Mr. Robb's course of action in this respect will be watched with interest.

In pre-war days, under the lower postal rates, the post office brought in a nice surplus, which sometimes ran as high as $1,300,000. The record of surpluses and deficits from and including 1917 is as follows:

1911	$1,192,729	surplus
1912	1,310,220	"
1913	1,177,671	"
1914	134,158	"
1915	2,914,541	deficit
1916	2,849,271	surplus
1917	4,601,805	"
1918	3,298,836	"
1919	2,329,129	"
1920	3,697,397	"
1921	4,009,637	"
1922	1,709,126	deficit
1923	4,700,382	surplus.

This figure, while contained in the Finance Department's Statement for 12 months, is not final.

DID LORD ATHOLSTAN WRITE N.Y. EDITORIAL?

This is Suggestion Regarding American Eulogy of Sir Arthur Currie

From Our Own Correspondent.

MONTREAL. — Lord Atholstan's Montreal Star made a great acclaim the other day over a despatch from its New York correspondent, quoting an editorial in the New York Evening Telegram. The New York paper stated that if Sir Arthur Currie succeeded Arthur Meighen as leader of the Conservative party and then became premier of Canada it would round out a career as varied as that of Theodore Roosevelt.

The Star naively added to the despatch from New York: "This will be news to Sir Arthur Currie," which sounds amusing to those who know that Lord Atholstan has, as self-appointed guardian of the destinies of the Liberal-Conservative party, offered Sir Arthur Currie the leadership in succession to Meighen.

There are many who think that La Patrie has struck upon the real truth of the New York Telegram's editorial and the long-telegraphed dispatch to the Star. La Patrie suggests that it would not be surprised if the Telegram had received its editorial all prepared from its own correspondent in Montreal, domiciled in the same building as the Star, and that the whole affair had its inspiration under the bonnet of Lord Atholstan.

Ukranian Refugees Coming To Canada as "Farmers"

ST. JOHN.—It is understood that arrangements have been made for the settlement of 6,000 Ukranian Jewish refugees in Canada. The first of these, numbering 600, arrived recently. These people are ostensibly "farmers."

CONFUSION STILL REGARDING THE NEW SALES TAX

Need for Expert Advice in Framing Business Taxes

OTTAWA.—With only about two weeks until the new 6 per cent. sales tax is to come into effect, uncertainty regarding the working of the complex regulations continues. The ruling that it is optional whether or not the tax is shown on the invoice of the manufacturer when selling to unlicensed wholesalers or retailers, has decided one point but this ruling came so late in the day that, as it was a complete reversal of the regulations which in turn did not agree with the statute, there is a great deal of confusion.

Then there is uncertainty as to whether manufacturers selling to the public—manufacturing retailers, like tailors, tinsmiths, bakers, etc.—are to be licensed or whether they will merely pay the tax when they buy their materials. Efforts to get a definite ruling on this point bring unsatisfactory results. The statement is that there will be individual rulings with individual firms. This is a very disturbing state of affairs but two weeks before the tax goes into effect.

Altogether there is a widely held opinion that after two years of straightening out crooked points it would have been better to leave the old tax even with its unsatisfactory features in effect rather than start in to reorganize the whole system with another period of disturbance for business almost sure to follow. Strong delegations representing various manufacturers who sell to the consumer are urging that even at this late stage something should be done to postpone or suspend the new tax.

The whole situation again makes clear what has been pointed out frequently in recent years, that the government is badly in need of some reliable source of expert advice in the framing of its taxation program, and particularly taxes affecting business. A tax commission to deal with such questions, including the tariff, and advise the Minister of Finance in the framing of the budget would be able to solve many of the difficulties being constantly encountered.

BIG SHIPMENTS BY PANAMA CANAL

Movement Should be Helped by Appointment of Customs Officer at New York

Upwards of forty hardware stores in Vancouver, with a potential purchasing power from Eastern manufacturers of $1,000.000, or more, wil bring a large portion of this hardware via the Panama Canal during the next year, according to the Vancouver correspondent of Hardware and Metal. One hardwareman interviewed figured that by spring he will be able to ship all his goods, bought in the east, by way of the canal. It is planned to place orders so that allowance can be made for an interval of six to seven weeks between order and delivery.

An Eastern manufacturer states that competition of United States manufacturers, who have comparatively cheap inland rates to New York and thence to B. C. ports, has made competition so strenuous that it is necessary for him to make shipments via Montreal and St. John at a saving of about $1 per hundred pounds. To offset this saving there is an extra cost for packing and some loss in breakage, but in heavy goods the advantage is considerable.

The appointment of a Canadian customs officer at New York is announced, and should further facilitate the movement of merchandise via the Panama Canal to Vancouver.

Influential Press of Country Demanding Taxation Relief

It is on the basis of reduction of public expenditures that taxation is to be curtailed in the United States. The national budget presented to Congress by President Coolidge this week calls for a cut of $132,500,000 in expenditures for the current fiscal year and another $237,000,000 for the year ending June, 1925. A surplus of $329,000,000 is estimated for this year and $395,000,000 for next. Therefore a reduction of $360,000,000 a year in taxation is proposed at once. Canadians looking for relief in the same direction find nothing encouraging in the government's spending program. Ottawa is now spending more than in 1922. Earlier in the year revenues were growing and expenditures were declining, but the improvement has not continued.

There is a growing demand throughout the country for taxation relief. The point which has been made by THE FINANCIAL POST, that the levies which bear on business are interfering with trade and industry to such an extent that the whole community is suffering, is being more generally appreciated. In the United States the government has found that the supertaxes on business have tended to dry up the sources of wealth and to actually reduce the amount of national income. If Canada is not able to follow the example of the republic in relieving the taxation burden, business in this country will be still further depressed, and the return of prosperity further delayed. Sound, courageous leaders of public opinion like the Brantford Expositor and the Ottawa Journal are among the newspapers which are demanding of Ottawa that something be done to remedy the situation.

HEAVY TAXATION AND PROSPERITY

Brantford Expositor

The Expositor has many times pointed ont that a drastic reduction of taxation and expenditure in municipal, provincial and federal governments is absolutely necessary if there is to be a revival of national prosperity in Canada. This demand has been expressed so urgently by many influential bodies that it is time it is taken to heart and practised by those in authority. Only recently the Board of Trade of Toronto issued a strong and logical statement in support of this contention. The same ground has been taken in the United States. The other evening in New York before the League for Political Education, Judge Elbert Gary, chairman of the United States Steel Corporation, gave a very clear statement of the relation between the question of tax reduction and trade revival.

No one is more fitted to speak from a practical point of view on this question than the chairman of the largest steel industry in the world. He understands clearly what checked the industrial revival which began with such promise last spring. Judge Gary unhesitatingly places a large share of the blame on the existing burdensome taxation, which has driven the wealthy investor out of the ordinary industrial investments, where the high surtax would practically cut his 5 or 6 per cent. return down to 3, and into the 4 per cent. tax-free bonds of states or municipalities. Other federal taxes have directly hampered the free movement of industrial enterprises. As a result, 'business has more or less remained upon its feet, though its back has been considerably bent." It has been, Judge Gary states, and it is, "in danger of breaking. Prosperity has been threatened.

The present Congress will have to deal with these issues. Secretary Mellon has proposed a revision of the taxes which is designed to lessen the burden on business, and which, by bringing about expansion of trade and commerce will produce a larger revenue. It is time for Canada to take the matter of the revision of taxation seriously also and lighten the burdens which are strangling the business of the country.

OPPRESSIVE TAXATION

Ottawa Journal

Statistics of immigration and emigration have shown a considerable exodus of Canadians to the United States this year, with but a small return of people from the United States, and this condition has latterly been getting worse instead of better.

Why should this condition exist? More than one reason applies of course, but one thing is sure—namely, taxation. And the moral is that all our Governments—Dominion, Provincial and Municipal—should be heading as strongly as possible towards economy and retrenchment.

It is asserted in THE FINANCIAL POST that a sudden and very decided decline in the number of commercial travellers being sent out by business houses in Canada has taken place recently, and although in some respects the national business position is good there is apprehension that the coming year is not going to be a good business one, and, says THE POST: "The high

(Continued on page 4)

TAXES MUST BE CUT; COOLIDGE'S WARNING

President's Message to United States Congress is Message From the People

NEW YORK.—On all important matters affecting the country's welfare, President Coolidge has taken a sound stand, but he shows by his message and by his unqualified approval of the Mellon plan, that he has sensed the attitude of the whole thinking part of the American public by placing the matter of tax reduction above every other, says The Bankers' Review.

It is a solemn warning which he gives to those Congressmen who may have decided to stand in the way of this great movement. He warns them against neglecting it, against postponing it, against obstructing it by unsound proposals, and tells those who attempt this that they become unworthy of public confidence and untrue to public trust.

"For seven years the people have borne with uncomplaining courage the tremendous burden of national and local taxation.

"These taxes must both be reduced.

"The taxes of the nation must be reduced now as much as prudence will permit, and expenditures must be reduced accordingly.

"High taxes reach everywhere and burden everybody. They bear most heavily upon the poor. They diminish industry and commerce. They make agriculture unprofitable. They increase the rates on transportation. They are a charge on every necessary of life.

"Of all services which the Congress can render to the country, I have no hesitation in declaring this one to be paramount.

"To neglect it, to postpone it, to obstruct it by unsound proposals, is to become unworthy of public confidence and untrue to public trust.

"THE COUNTRY WANTS THIS MEASURE TO HAVE THE RIGHT OF WAY OVER ALL OTHERS."

Farm Income Higher During the Past Year

WASHINGTON.—Secretary Wallace in his annual report says higher prices for many farm products and some reduction in the prices of the things farmers have to buy have brought about a marked improvement in the condition of agriculture in the last year. On the whole, however, the agricultural situation to-day is much better than a year ago.

COST OF WAR STILL BEING PAID BY US

Canada's Share of Burden the Largest of Any of Dominions

From Our Own Correspondent.

MONTREAL.—The war cost Canada more in dollars and cents than it cost any other Dominion. Figures from the gigantic volume on the British Empire's military effort in the great world war, published by the British government, give the following as the war costs of the various dominions:

Canada	$1,277,273,000
about	£ 255,454,600
Australia	288,000,000
New Zealand	75,750,000
Union of S. Africa ..	32,950,000
Newfoundland	$ 9,800,000
about	£ 1,880,000

In addition must be added the capitalized cost of pensions awarded, which works out as follows:

Canada	$440,000,000
about	£ 88,000,000
Australia	100,000,000
New Zealand	12,000,000
Union of South Africa	2,250,000
Newfoundland	$ 16,000,000
about	£ 3,200,000

But the British government figure of Canada's war cost is far too small. To date the Canadian government has spent more than $2.425,000,000 in war expenditures, counting interest to date on the war debt, soldiers' civil re-establishment and settlement, but not counting pensions. Adding the capitalized value of these the war has cost Canada close to three billions already, and the expenditures are still being made at the rate of about $300,000 a day.

HUGE CONTRACTS NOW BEING MADE TO SHIP OUR PULPWOOD TO U.S.A.

While Ottawa Dallies, Americans are Signing Up All Visible Supplies for Next Ten Years

From Our Own Correspondent.

MONTREAL.—The deadly effect of the government's dilly-dallying with the pulpwood question is getting graphic demonstration in the new contracts that are being arranged almost daily for the exportation of Canadian pulpwood to the United States. Such a contract was reported by the Campbellton Graphic the other day in the following news item:

"An announcement of considerable interest came from the local office of the O. J. Klein Tarnsportation Co. this morning. During an extended trip to New York and through Eastern States, Mr. Klein signed huge contracts with American mills in the vicinity of Watertown and Carthage for their supply of wood. These handsome contracts stretch over a period of ten years and call for the shipment of 36,000 cords per annum.

"It is understood that this wood will be cut on lands acquired by Mr. Klein on the Matane Coast, and also by purchase from settlers in that territory and along the Gaspe and Northern New Brunswick Coasts."

In the case of this contract, provision is made for the export to the United States of 360,000 cords of Canadian pulpwood which will bring the country around $3,000,000. Made up into paper, the revenue to Canada would be closer to $18,000,000. Canada loses the difference by permitting the export of the pulpwood in its raw state.

True it is an embargo may be put into effect if the pulpwood commission ever finishes its meetings, but all practical effects of the embargo have been removed by the order-in-council of last August that permitted the export for a period of ten years of pulpwood under contracts dated before June, 1923. American firms now arranging contracts for supplies of pulpwood are seeing that the contracts are dated before June, 1923, and it is anticipated that a large supply of the pulpwood available for export will be contracted for very shortly. The only remedy for the denuding of the freehold forests under these contracts will be the rescinding of the order-in-council, the origin of which has never yet been explained by Premier King.

CANADIAN GOODS ARE NOT FAVORED BY AUSTRALIANS

Paper Makers are in Wrong With Australian Press

SEEKING PREFERENCE

But it is Difficult to Get Favorable Consideration Under Prevailing Conditions—Motors Popular

From Our Own Correspondent.

OTTAWA.—The coming of the representatives of the Australian government who are to talk over trade matters with Hon. T. A. Low is awaited with keen interest. The pulp and paper men are very eager to get on something like even terms with the British in the Commonwealth market, but they can't hope for this until they first overcome the antagonism of the Australian press towards them and then get in on the preference.

The manufacturers generally are getting uneasy at the extent to which the United States is capturing Australian trade. It is expected that during this year American exports to the Commonwealth will total nearly $120,000,000, which would be equal to an increase of 50 per cent. within the twelve months. When it is taken into account that the United States only sent $44,000,000 of exports there in 1913 it will be seen the extent of the gains the Americans are making. It is also understood that about 90 per cent. of these exports are of manufactured products. In 1913 Australia took but 12 per cent. of its imports from the United States, now it is taking over 22 per cent.

It is true that Canada is making progress in the Australian market, but not to nearly the extent that the United States is, especially when it is taken into account that the Commonwealth and Canada belong to the same Empire and that the Australians are supposed to be strong on Empire-trading. During the 12 months ending October exports to Australia increased by 28 per cent., or from $15,148,000 to $21,037,000.

Canadian and American automobile concerns are evidently running neck and neck for the Australian trade. The latter claim to have sold 18,504 cars to the Commonwealth during the first nine months of this year, which is not quite as many as Canadians have sold. Nor has the increase in American sales been as large during the year as has that of Canadian concerns. Where the Americans badly beat Canadians in the Australian trade is in textiles, petroleum products, barbed wire and moving pictures.

In a per capita sense New Zealand is a much better market for Canada than is Australia, and there the Americans are not beating us. During the year ending October exports thereto were $11,117,000, or very nearly double those for the preceding year. To that dominion the United States is now sending $25,000,000 worth of goods a year, but exports are not growing as rapidly as are those of this country.

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FOREIGN TRADE INFORMATION

MANUFACTURERS and merchants engaged in Foreign Trade, who contemplate sending representatives to Great Britain, France, South Africa, India, Australasia, China, Japan or the West Indies, will find it to their advantage to communicate with the Foreign Department of the Bank of Montreal at the Head Office in Montreal.

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A General Banking and Foreign Exchange Business Transacted.

MILESTONES IN CANADIAN HISTORY
1865 to 1923

1865 The Parliaments of Upper Canada, Lower Canada, Nova Scotia and New Brunswick approved of the outlines of a scheme of Confederation as proposed by the conference of statesmen which met in Quebec in 1864.

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HOW SALES TAX WORKS IN REGARD LATE PURCHASES

Matter of Delivery All Important in Final 1923 Buying

MATTER OF REBATES

Many Will Pay 1923 Taxes and be Exempt Under New Measure—Will Get Rebate

There is bound to be some confusion at the end of the year when the present sales tax passes, and the new measure comes into force. Two things will make for this. Hurried purchases to get in under the old tax and the readjustment of taxes paid under the old measure, and which will come under the tax of the new measure in a different manner. In the latter case there will be rebates to be secured.

A definite ruling in regard to last minute purchases has been outlined. In the first place, all goods sold up to December 31, to come under the present tax, must be manufactured by that date. This being the case the whole question of last minute sales hinges on the matter of delivery. Goods can be ordered at the last minute, and, if paid for by cash, cheque or acceptance, may be held by the manufacturer in storage. Or goods may be sold on Dec. 31 and delivered on that date, allowing time payments. It is a question of delivery, and no doubt is designed to prevent industries piling their houses up with manufactured goods. and saying that they were manufactured before the end of the year, and so should come under the 1923 tax. The goods manufactured but unsold on January 1 will come under the 1924 tax when disposed of.

There is a provision under the new law that manufacturers who have paid sales taxes upon materials on hand, which materials are in their possession at the end of the year, shall be entitled to a rebate of the taxes so paid. And on those goods the licensed manufacturer was required to furnish notice to his local collector on or before December 1 that he intended to apply for these rebates at the end of the year. On the 1st of January he is expected to take an inventory of the materials upon which he purposes filing a claim for rebate. That inventory is to be kept in his own office for reference in case a customs and excise auditor wants to check it up. From that inventory he prepares a summary giving a general classification of the goods upon which he intends to claim the rebate. and opposite each item he puts the amount of the sales tax which he intends to claim a rebate on. And this summary is to be filed with the customs and excise department before March 31. He has three months to prepare and file that statement. Then he has three additional months to verify his claim if he needs that length of time.

Should Cover Tax

In connection with rebates, there is also the provision that the inventory should cover the sales tax if paid upon any materials which he has on hand to sell in the condition as purchased, and the regulation provides that when he sells these goods after January 1, when he sells them in the condition as purchased; he will strike off or deduct from the rebates that he is claiming from the government, the sales taxes that were paid thereon. In other words, he will reduce his claim upon the government by the amount of the sales tax on those goods.

The object is that all licensed wholesalers and jobbers who now buy goods will have quantities of goods upon their shelves at the end of the year upon which they will charge and account for no sales tax on and after January 1. To-day when they sell those goods they have to account to the government for 2¼ per cent. of the selling price. But on and after January 1, in respect to goods on their shelves, if they are unlicensed under the law, they are not accountable for sales tax. Therefore, if a Canadian manufacturer were compelled to get a rebate and had to contribute 6 per cent. on his selling price, he would be handicapped in competing with these wholesalers and jobbers who are now licensed, but who will be unlicensed under the new law. Consequently, under the new regulations, when the goods are sold the invoices therefor shall be marked with a notation that the tax was paid prior to January 1, 1924, and the collector of customs and excise shall be notified and the inventory claim reduced accordingly. In other words he is put on the same basis as the concern who is now a licensed wholesaler or jobber, but who will be an unlicensed wholesaler or jobber under the new law.

Cash Discounts Also

Yet another question that is in the minds of a great many manufacturers and business men under the new law is as to whether, if they allow cash discounts, the amount of the cash discount will be permitted to be deducted before the sales tax is paid. The new regulations provide for precisely the same practice as in vogue under the present law, that is to say claims will be allowed for sales tax paid for cash discounts in effect. Manufacturers will only pay sales tax on the net selling price.

Another question that crops up is as to the obligation of manufacturers for sales tax upon freight allowances or prepayments of freight, and the regulations for applications of the new law will likely carry on the same practice as at present; that is to say. so long as the amount of the freight is shown upon the invoice, sales tax will not have to be paid thereon.

Hydro May Now Have to Compete Fairly

The stand of the Ontario government that public services must pay their own way has particular significance to the hardware trade, says Hardware and Metal, because of the fact that concessions in the way of freedom from certain taxes have enabled publicly-operated retail stores to give unfair competition in the sale of electric appliances.

It is true that many of such stores are operated by the local municipalities, but there is little question that there is a link somewhere with the provincial commission, because of the fact that when certain retailers appeared before the Gregory Commission to give evidence as to unfair competition, they were assured by certain of the provincial commissioners that they would ask the local municipalities concerned to straighten the matter out.

NUISANCE TAXES BURDEN BUSINESS

American Investigator Warns the United States Government Against Levies

After making a thorough investigation of the Canadian sales tax as he found it in operation throughout the country, Archibald Harris, C. P. A., who was sent to Canada by the bankers' association of Illinois and Indiana, has made a report which, as reviewed in the American Review of Reviews, must be taken as tending to discourage the adoption of any such tax in the United States. Mr. Harris records the experience of various businesses and industries with the tax, and it is evident that he came to the conclusion that it was a burden on them. Regarding other taxes which are irritating business, he says:

Canada has a number of nuisance taxes. She has one on receipts for amounts over $10, on postage stamps, on notes and checks, even on matches, cigarettes, and other commodities. There can be no question in the mind of anyone who has spent much time in different parts of Canada that these luxury taxes—or, as they call them in Canada, "nuisances taxes"—are most thoroughly detested. They are in direct opposition to the line of thought which prompted the present tax on manufacturers and wholesalers or jobbers. The luxury or nuisance taxes apply on sales in such a way as to make them offensive to the purchaser. Briefly, I might say this: The receipt tax is in every sense of the word a nuisance and inconvenience. The check tax has been a source of complaint from time to time, and to such an extent that the maximum amount of tax applicable in each case has been reduced. The tax on matches is perhaps the most irritating of all, as matches are absolute necessities to thousands and most of those thousands are poor. Canada's experience with luxury or nuisance taxes is not encouraging.

High Wages and Lack of Snow Affect Lumbering

From Our Own Correspondent.

ST. JOHN.—Although at the outset of the season it was believed that the lumber cut in the Maritime provinces for the current logging season would be heavier than that of last winter, indications point to a reduced cut. A number of factors have contributed to this situation. One is the lack of snow. Last winter a superabundance of snow forced a curtailed cut. This year the reverse is true.

Scarcity of labor and high wages asked are two important factors in analyzing the proposed decreased cut. During the summer thousands of men who ordinarily work in the woods during the winter migrated to the United States, and in the fall many thousands more went to Western Canada. In addition, others went to the Quebec and Ontario woods, attracted by higher wages than prevailed in Eastern Canada. At present men are being offered from fifty to sixty dollars per month and board. Last winter, at this period, the wages ranged from thirty-five to forty dollars, plus the board.

The United States treasury department views increased buying of American securities abroad as mainly significant of gradual return of pre-war conditions. Substantial portion of new buying attributed to Holland.

REJECTION OF LOW BRITISH TENDERS IS BLOW TO PROGRESS

Will Not Help Establishment of Warehouses and Branch Factories Here

Canada is looking to British houses to extend their trade to Canada, to advertise their wares out here, with the hope that ultimately they will erect warehouses and branch factories in the Dominion. The important bearing which such actions as that of the city of Toronto in rejecting the lowest tender, that of an English firm, for a much higher local tender, has on such development, is pointed to by G. T. Wilson, president of the Canadian Association of British Manufacturers.

The Toronto case is a serious one, but Mr. Wilson points out that there have been others. He cites two. In both cases the English tender was much the lower. In both cases they lost it, once after being actually awarded it. The same point as made by THE FINANCIAL POST, that it is a sound business principle that public bids should be dealt with according to the spirit in which they were invited, and that bids from manufacturers outside of the country should not be used in an unfair manner, is made by Mr. Wilson.

It is suggested that if Canadian municipalities intend to follow up such a policy and refuse fair consideration to outside firms, then they should make a prior announcement that English tenders are not desired. This, they say, would save the English houses considerable time and expenditure of money. On the question of the expansion of English houses in the Canadian market, the following point is made:

"If the tenders of British firms do not receive fair treatment, they will be discouraged from tendering. Their views of the Canadian market as a buyer and of Canada as a field for British branch factories and warehouses, will naturally be affected unfavorably."

S. W. Straus & Co. estimate building construction in United States for 1923 at $5,000,000,000, increase 25 per cent. over 1922.

TARIFF RULINGS

Canadian and Foreign Decisions of Interest to Exporters and Importers

Cuba.—Ships clearing from Canada to Cuba must have bills of health vised by a Cuban consul.

Germany.—The gold customs surtax has been abolished. Until further notice, the original gold customs rates are payable, converted into German banknotes, Reichskassen notes or Darlehnkassen notes at the official ratio prevailing on the date payment is made.

Netherlands.—A general increase of import duties of from 5 to 8 per cent. is expected, with a still larger increase for tea, coffee, and beer. It is expected that the Netherlands shoe restriction act will be renewed at the beginning of 1924.

Russia.—The commissariat of Foreign Trade has recently ordered all its trade delegations and representatives abroad to discontinue issuing licenses for the importation of goods into Russia. Henceforth such licenses will be issued exclusively by the Commissariat at Moscow, or by its regional offices within the Soviet Republic. The representatives abroad have also been notified that in view of the termination of the fiscal year on October 1, and the establishment of a fixed program of imports for the new fiscal year, all undischarged licenses whose effectiveness expired on the above date are canceled.

Greece.—The ratio for the payment of customs duties has been fixed at 1.50 paper drachmas to 1 gold drachma for (item 19) wheat and meslin (wheat mixed with rye), and at 2.50 paper drachmas to 1 gold drachma for (item 21a) wheat flour, whether containing bran or not, by a royal decree of October 15, 1923, effective from the date of its publication in the Official Greek Gazette, No. 293, for Oct. 16, 1923.

Mexico.—The regulations in regard to invoices covering parcel post shipments to Mexico have now been revised. Such invoices must still be provided by the shippers, but will not in future require certification by Mexican consular officers at the point of origin.

What Canada Sells—and Buys

What does Canada sell to the various countries of the world? And what does she buy? Poring through government blue books to find this information is a ponderous job for the busy importer or exporter, and to make that unnecessary is the purpose of this series of records of the imports and exports of Canada as regards the important nations we trade with.

All imports and exports are shown where the amount exceeds $100,000, and round figures only are given. The record is based upon the 1923 trade figures. Manufacturers and others interested in foreign commerce are urged to save these compilations, which will run for twelve weeks and cover the principal countries of the world.

Belgium

Canada's imports from Belgium amounted to $5,000,000 or 0.6 per cent. of our total imports and the most important imports were as follows:

Glass and glassware	$2,100,000
Artificial silk yarn	500,000
Diamonds	500,000
Woollen goods	200,000
Paints	100,000
Canned vegetables	100,000
Iron bars and rods	100,000
Electric light bulbs	100,000

We exported to Belgium goods to a value of $12,500,000 or 1.2 per cent. of our total exports. The chief items were:

Wheat	$7,200,000
Oats	2,300,000
Sugar	700,000
Asbestos	400,000
Canned lobster	300,000
Barley	300,000
Farm implements	200,000
Canned salmon	100,000

Germany

Canada imported from Germany goods to a value of $2,600,000 or 0.3 per cent. of our total. The imports included:

Dyes	$ 400,000
Ammonium nitrate	200,000
Hardware and cutlery	100,000
Scientific apparatus	100,000
Toys	100,000

Our exports to Germany were valued at $10,000,000, the equivalent of 1.1 per cent. of our total exports. The chief items were:

Flour	$4,000,000
Wheat	1,500,000
Rye	900,000
Nickel	800,000
Asbestos	700,000
Powdered milk	100,000

Netherlands

From Netherlands or Holland, Canada imported commodities valued at $4,900,000 or 0.6 per cent. of the total and including:

Diamonds	$ 800,000
Gin	600,000
Bulbs and plants	400,000
Tobacco	400,000
Electric light bulbs	300,000
Cocoa and chocolate	300,000
Dyes	200,000
Paints	200,000
Glass and glassware	100,000

Our exports had a value of $10,500,000 or 1.1 per cent of the total and including:

Wheat	$5,400,000
Barley	900,000
Flour	800,000
Oats	600,000
Oilcake	500,000
Condensed milk	400,000
Automobiles	200,000
Buckwheat	100,000
Asbestos	100,000

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AUSTRALIA AND NEW ZEALAND BUY HEAVILY IN U.S.

Big Increase in Trade—Many Automobiles Included

NEW YORK.—The popularity of American manufactures on the other side of the globe is evidenced by the persistent growth of American exports to Australia and New Zealand. The distance from New York, the chief port through which manufactures are exported, to Melbourne, the chief port of Australia, is 10,000 miles by the shortest all-water route, the Panama Canal, or 12,670 miles by way of the Suez Canal, yet, according to the Trade Record of The National City Bank of New York, American exports to Australia in the calendar year 1923 will approximate $120,000,000, against $80,000,000 in 1922, and $44,000,000 in the year preceding the war. Of the total, manufactures form about 90 per cent.

Not only are American exports to Australia practically three times as much as before the war, but they form a much larger proportion of the total imports of that country than in pre-war years. The official records of the Australian government show that merchandise from the United States formed only 11.90 per cent. of its total imports in 1913, while the very latest reports from Melbourne show that merchandise from the United States formed 22 per cent. of the Australian imports in the quarter ending with June, 1923. Similar conditions also exist in American trade with Australia's sister colony, New Zealand, for exports to that colony will approximate $25,000,000 in the calendar year 1923 against 8½ million dollars in 1913, and manufactures form also about 90 per cent. of the exports to New Zealand.

What are Americans sending to Australia? Everything, from a paper of pins to harvesting machinery, automobiles and locomotives.

The American automobile is rapidly gaining in popularity in Australia. The total number of automobiles sent in the 9 months ending with September, 1923, was 18,504 against 8,055 in the same months of 1922, and 2,231 in the corresponding period of 1921. The value of the autos sent to Australia in the 9 months ending with September, 1923, was in round terms $15,000,000 against 6½ million in the same months of 1922, and less than 3 million dollars in the corresponding period of 1921.

Real Wages Greater With Price Declines

From Our Own Correspondent.

OTTAWA.—It is impossible to get from the Labor Department figures showing average hourly earnings for the leading industries in Canada during the current year but the returns compiled in this country bear out in general the demonstrated conclusions from American figures that the fall in the cost of living throughout the year has been much greater than that in wages. This is especially true of the unionized trades.

Returns consequently show that with living costs lower, real wages in Canada are much greater, and that labor is thus much better off since the dollar will buy more than it did a year ago. Labor is also better off in that the much stronger demand for workmen has made it necessary to pay more over-time. Labor is earning more in this way. The record crop in particular has also created a greater demand for railway employees than ever existed before in this country.

Unemployment Being Prepared for in States

NEW YORK.—Despite the carefully marshalled optimism of American business leaders and press, there is apparent in inner circles a certain amount of trepidation regarding the immediate business future in the United States.

The most outstanding evidence of this feeling is seen in the desire of the administration in Washington to resume works of development. According to local bankers recently returned from the national capital, government officials are extremely anxious to be able to provide work for many thousands of men should any marked amount of unemployment develop after the new year.

New Motor Production Record in November

NEW YORK.—Automobile production in the United States in November totalled 325,125 cars and trucks, a new high record for any corresponding month and an increase of 50 per cent. over the same period last year according to records compiled by the National Automobile Chamber of Commerce. The total compares with an output of 365,107 cars and trucks in October and with 237,301 in the same month last year.

The Grain Movement

OTTAWA.—Preliminary figures showing the receipts at the head of the lakes, also Vancouver, B.C., for the period from September 1st, 1923, to November 30, 1923.

	Fort William and Port Arthur	Vancouver B.C.
Wheat	163,075,047	6,398,225
Oats	16,656,931	93,059
Barley	7,634,570	......
Flax	2,420,834	......
Rye	3,097,543	89,606
Total	192,885,975	6,580,890
Same period 1922	184,089,252	3,914,767
Inc. over last year	8,796,723	2,666,123

An Index of General Business Conditions in Canada

By H. MICHELL,
Professor of Political Economy in McMaster University.

In presenting the following analysis of the influence of the business cycle in Canada, it will be impossible to explain at length the statistical technique involved. Suffice it to say that with certain necessary variations it follows the very notable method employed by Professor Warren Persons, of Harvard University, where brilliant contributions to the science of statistics have advanced our knowledge of the phenomena of the cycle to a marked degree.

In the diagrams reproduced on this page, three lines are included. The curve marked A is the average price of ten stocks on the Canadian stock exchanges from 1900 to 1914, and of 20 stocks from 1919 to 1923. The curve marked B represents an index number of 7 significant commodities (wool, hides, pig iron, copper, cement coke and spruce) for the first period; and of 40 commodities (20 foodstuffs and 20 manufacturers' goods) for the second period. The curve marked C represents the ratio of current bank loans to total assets. These three lines are represented as percentage deviations from a computed line of what is called "secular trend," that is to say, a computation of the normal increase from year to year of any statistical figures. The result of this is to eliminate long time growth, and instead of the series sloping obliquely upwards from left to right they cross and recross a horizontal line marked O in the diagram. Plus 1, plus 2, or minus 1, minus 2, therefore, represents a deviation plus or minus of 1 per cent., or 2 per cent. from the computed normal.* The great advantage gained by this method is that dissimilar statistical series may be compared together, and the results presented in a very clear, graphical form. Entirely inadequate as this extremely summary description of what is, in fact, a highly complicated mathematical process, it will, at least, give an idea of the method followed.

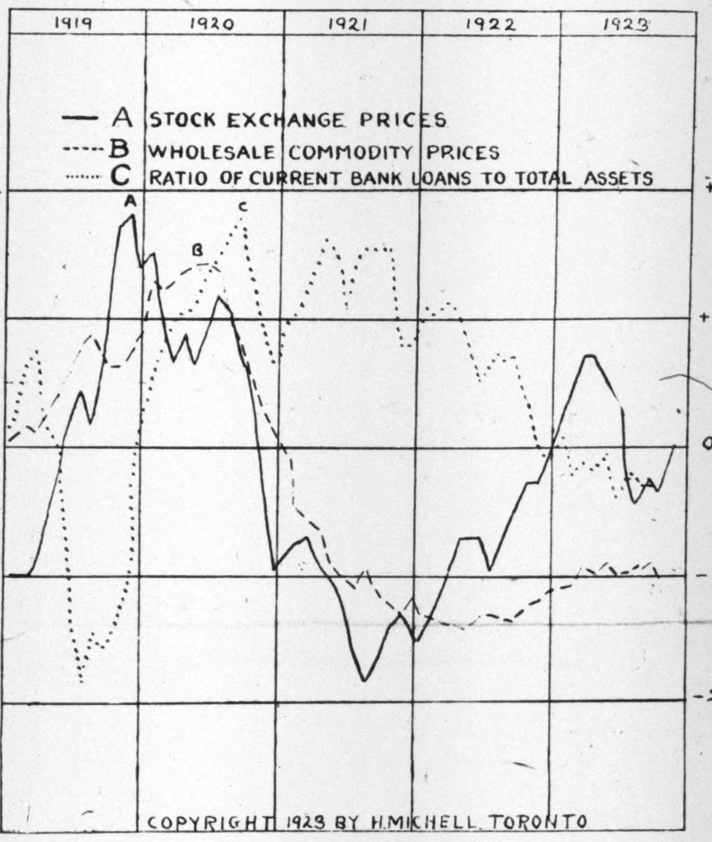
Turning now to the results attained it will be noted that the three lines cover the recession that began in 1900, the climb upwards to 1903 and the panic of that year. Then follows the rise to 1907, and the severe depression of 1908. All three lines follow the upward trend with returning good business till 1910, when the recession of that year is noted. Again business swings upwards to 1913, when the decline that preceded the outbreak of war commenced. The three series are discontinued after June, 1914, as the chaos of the war makes it impracticable to follow them further. The record is taken up again in January, 1919, and the recent events shown very plainly.

Turning now to the significance of the movements of the three curves, it will be observed, first, that they invariably follow each other in a set order. Stock exchange securities, as being admittedly the most sensitive of all barometers, lead the way, although it is to be noted that twice, in 1907 and 1923, wholesale commodities declined concurrently with stock exchange prices. With these two exceptions, wholesale prices follow after stock exchange prices, and the curve representing the ratio of loans to total assets follows the other two. With regard to this last curve, a most important and significant fact must be clearly noted. When curve C crosses curves A and B upwards at a high level, a serious decline is inevitable; when it crosses them upwards at a low level, no serious decline need be anticipated. A glance at 1903, 1907, 1913, and 1920, will reveal the truth of this: while it will be seen that in 1910 C crosses A and B at a low level, and the subsequent decline was not serious. This simply exhibits in graphical form what is really very simple. With the ratio of loans to assets rapidly rising, the banks must, sooner or later, call a halt; with rapidly falling stock exchange and commodity prices, and a still steeply rising ratio of loans to assets, the result is inevitable, serious depression must follow.

Turning to the post-war period, exactly the same sequence of events may be very clearly seen. The extremely high level of curve C during 1920 and 1921 is a notable phenomenon, displaying very strikingly the amount of "frozen credits" that the banks were carrying. At the present time the situation is quite plain, although curves A and B have declined, yet curve C has not risen. Judging from past experience it is impossible to think that any very serious depression can be anticipated in the near future; in any case anything of the nature of a panic is out of the question, so far as internal conditions in the Dominion are concerned. It is, of course, perfectly possible that all three curves may continue at a low level, denoting a state of poor business for some time, but it is hard to think this can continue for any length of time with the ratio of loans to assets as low as it is. In conclusion it may be affirmed without undue over-confidence that in a study of these three factors, stock exchange prices, wholesale commodity prices, and the ratio of current bank loans to total assets of the banks, we have a reliable working barometer of business conditions; as a matter of fact, shorn of its mathematical analysis the whole problem resolves itself into the one question, at a period of rapidly rising prices and business expansion, how long will the banks be able to stand the strain? A study of the graphs here presented will, perhaps give an indication of the probable answer.

* A most lucid explanation of the mathematical calculation involved in this process has been published in the Review of Economic Statistics published by Harvard University.

Index of Business, 1919-23.



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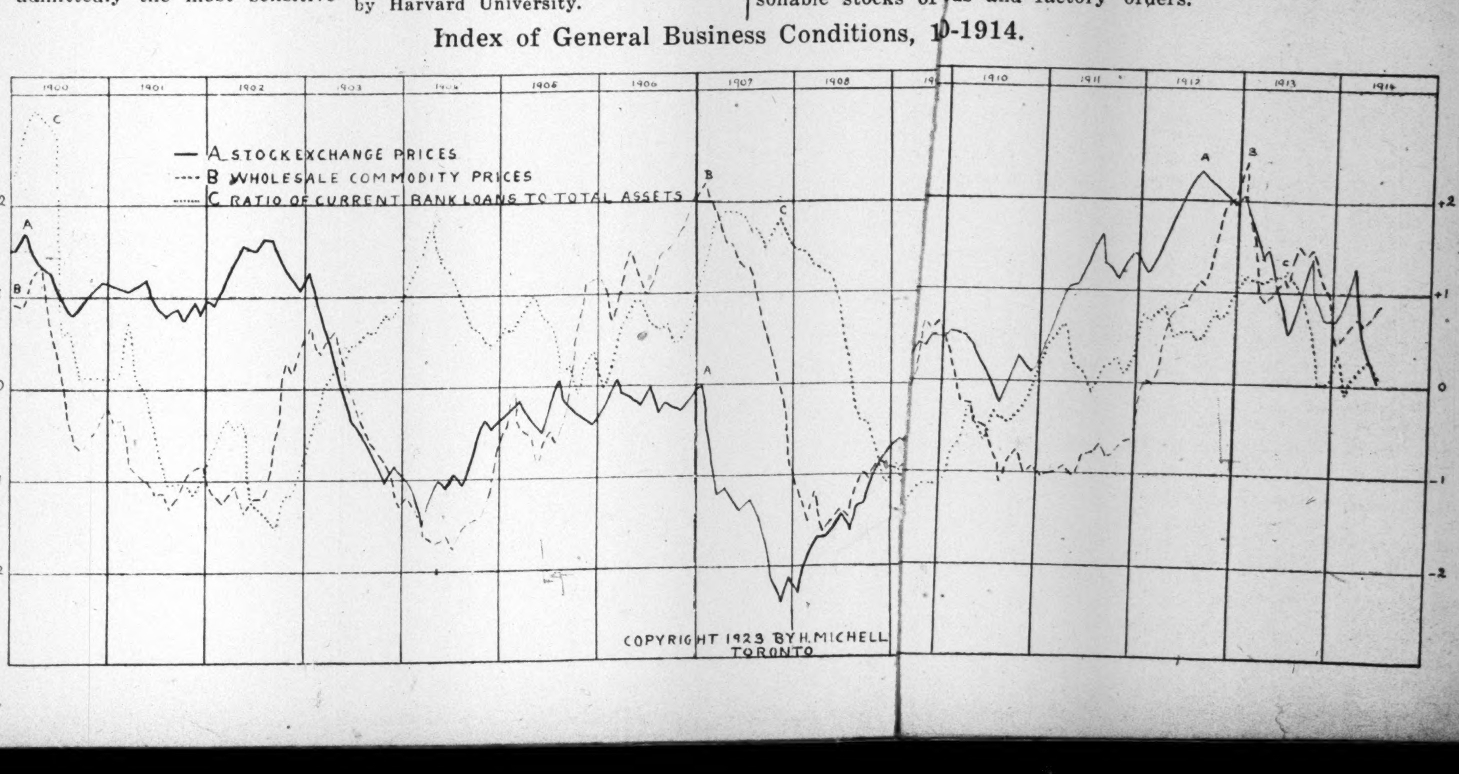

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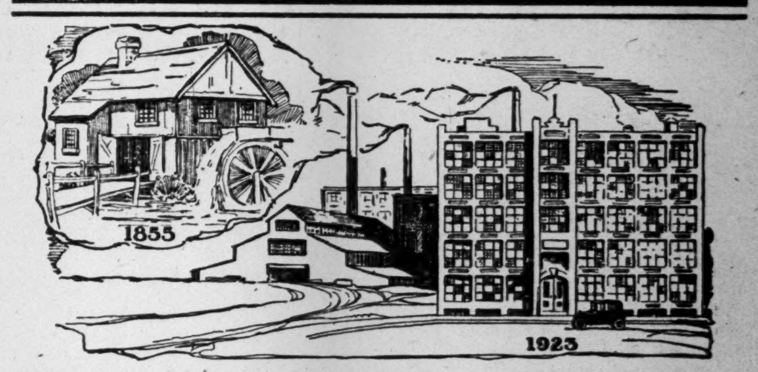

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Outlook is for Bter Retail Tre in States

NEW YORK.—W in 1920 there were sure signs ofe existence of heavy stocks, to-dahese signs are absent, according the National Bank of Comme Commercial loans are not exive and are fluctuating to a nw range; easy conditions prevail he money market. With activtail trade, reasonable stocks of ds and factory operations at low levels in many important lines, the opinion is justified that continued consumption based on full employment of labor must bring about increased rather than reduced industrial activity. At the moment retail trade is undoubtedly good in useful articles, but not so good in articles which can be done without. That as a whole retail business is satisfactory, is confirmed in the experience of distributors who, without exception, report no abatement in the steady flow of small orders.

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MAY PUSH AHEAD PROJECT TO OPEN UP B.C. IRON ORE

B.C. Legislature Will Deal With it at Coming Session

From Our Own Correspondent.

VICTORIA.—The fate of the Coast Range Steel Company, which proposes to establish steel mills in British Columbia with the financial support of the Provincial, Dominion and Imperial governments, will probably be determined during the present session of the provincial legislature.

There has been a pronounced change in feeling towards the Coast Range project during the past few months, especially among business interests of the province, who contend that, apart from the questionable virtue of the principle of having public money plunged into a highly competitive industry, there is no dependable market for the products of such a plant as proposed.

Although the British government has offered to give the project backing to a substantial extent, under certain conditions, the Dominion government has declined to support the enterprise, which calls for a total investment of $12,000,000. The original plan was for each of the three governments concerned to guarantee one-third of the bond issue to the full extent of the company's capital.

The Victoria Chamber of Commerce, which has taken the initiative in investigating the prospects of the Coast Range project, has completed a statement supplementary to its original report issued a few weeks ago. This says in part;

"It would appear from our information that the proposition is. that apart from the guarantees of the bonds which would be sold to erect the plant, common stock should be issued for the absorption of alleged iron ore properties, and for properties containing the other raw materials which would enter into the production of the finished article. The affairs of the company would be in charge of holders of the common stock, and there has been no suggestion of any security to prevent the paying of prices for these raw materials which would preclude any possibility of covering the overhead interest charge. It is represented to us that the quality of the coke produced on this coast is such as to make the profitable production of pig iron by the blast furnace process a matter of grave doubt as to its commercial practicability. It should be pointed out that plates, bars and structural material can be landed in British Columbia to-day, duty paid from Belgium, at practically as low a cost as the selling prices at the mills in Montreal or Hamilton.

"The pig iron consumption in British Columbia is so limited that a plant such as proposed could take care of a year's consumpton in less than one month's operation per annum and the one essential to profitable operation of a steel plant is volume of output. It has been stated to the government that a large market is offering for British Columbia pig iron in California. Upon investigation, it is stated that if the quality produced is equal to or better than that now obtained, and if the material could be sold to them in California at a price which they would deem satisfactory, and which, in other words, would be lower than they are now getting, then they could use several thousand tons per month. We think the provisos would eliminate the possibility of obtaining a market in that state, against such competition as the United States Steel Corporation, running their own boats from Birmingham, Alabama, to San Francisco, who would most certainly not be willing to forego their home market."

B.C. Budget Proposes New Tax on Gasoline

To provide for more attention to the construction and improvement of highways, the province of British Columbia has instituted a tax of 3 cents per gallon on gasoline. The new tax is sponsored by Hon. John Hart, provincial treasurer, in his budget speech, in which he intimates the government's expectation of securing $400,000 of revenue from this source. To compensate motorists for the increased tax on gasoline the government proposes to reduce motor license fees by 15 per cent.

Other changes include a reduction of 50 per cent. on farm property taxation, but the tax on all other real property in British Columbia will remain as it is.

Estimated revenue for the next fiscal year, Mr. Hart stated, is $18,359,246. or $400,000 less than the revenue actually received this year.

The minister gave his estimated expenditures for the next fiscal year as $16.699.094 on current account, and it is $2,587,219 on special account, a total of $19,286,413.

BEAR RIVER AREA IN B.C. IS AGAIN BECOMING ACTIVE

Several Concerns are Again Taking up Active Operations

From Our Own Correspondent.

VICTORIA.—Bear River, in the Portland Canal region, close to the field made world famous by the phenomenal yield of the Premier Mine, is now coming into its own, and within a few months will probably represent one of the most important producing territories in British Columbia.

The Bear River district has been handicapped considerably by the lack of communication, resulting from the destruction of bridges by ice jams. A substantial bridge has now been built, however.

The Dunwell mine, which is controlled by the Stewart Mining & Development Company, is one of the most promising properties in the locality, and a body of ore has been proved up to a width of 67 feet. Extensive development work is planned for next year. Assays of Dunwell ore show as follows: Gold, 1.98 ounces; silver, 116.16 ounces; value per ton, $113.94. The strike has caused considerable enthusiasm.

The Prince John Group, formerly bonded by the Granby Company, is situated close to the Dunwell claims. An ore body running at least 40 feet in width has already been proved averaging two per cent. copper. The mine is now being developed by an English syndicate, organized by C. A. Mackenzie, of Victoria, and this concern has run across some high grade ore. Values as high as $90 in gold per ton have been struck.

Then there is the M.C. Mining company, another Mackenzie project, which taps an extension of the Premier deposits. Development work is going on there this winter.

SMELTER CUTS CHARGES

NELSON, B.C.—Starting January 1, $1 a ton cut in treatment charges for lead ores at the Trail Smelter will be in effect.

T. W. Bingay, comptroller of the Consolidated says there will be a 50 cent cut on the base rate and five cents a unit reduction in zinc. Refining charges for the pooled lead drop from $15 to $14 a ton.

DOMINION GLASS EARNINGS UP TO 8.7% ON COMMON

Good Will Was Sliced by $400,000 During the Year

MONTREAL.—The folly of listening to the rumors that are often circulated among investors prior to the publication of industrial companies' annual reports was again demonstrated this week in the Dominion Glass statement, just as it had previously been demonstrated when Spanish River and Laurentide issued their reports. In all three cases, stories of tremendous earnings were told around; Spanish River was going to show 16 per cent.; Laurentide, 10 per cent.; Dominion Glass, 10 to 12 per cent. When the reports came out the earnings on the common shares were nowhere near these figures. All of these companies are in such good position, and have demonstrated their earning capacity so thoroughly, that no boosting is needed.

Earnings Were 8.7 Per Cent.

Dominion Glass statement showed very good earnings, even though the speculators were greatly disappointed. Net profits after payment of preferred dividends were 8.7 per cent. on the common stock just about the same as the 1922 figure of 8.6 per cent. The president, Sir Charles Gordon, had this rather conservative and noncommittal remark to make in his statement to shareholders: "The business of the company was well maintained during the year and your directors consider the results as satisfactory in view of the general state of trade."

Comparative figures for three years past are as follows:

Year Ending Sept. 30	1923	1922	1921
Profits	$724,664	$718,540	$699,599
Bond int.	170,000	170,000	170,000
Net	$544,664	$548,540	$529,599
Pfd. divs.	182,000	182,000	182,000
Balance	$372,664	$366,540	$347,599
Com. divs.	297,500	250,000	255,000
Surplus	$ 75,164	$111,540	$ 92,599
Prev. bal.	929,684	818,144	725,544
P. & L. bal.	$1,004,848	$929,694	918,144
P.C. earned on common	8.7	8.6	8.1

There are two rather significant features to the report. One is a further increase in working capital, and the second is a big cut in the goodwill account, which had stood at $4.625,920 and is now down to $4.240,920, seeming to suggest the possibility of a policy of annual reductions in this item until it is down to a figure comparable with the goodwill and patents accounts of other industrial corporations.

Working capital compares as follows:

	1923	1922	1921
Cur.asset	$3,126,253	$2,833,929	$2,430,959
Curr. liab.	746,723	588,078	534,949
Work.cap.	$2,379,529	$2,245,851	$1,896,410

RIORDON PLAN FAILS

Shareholders and Unsecured Shareholders Failed to Respond to Call

MONTREAL.—Riordon's reorganization plan has been abandoned. Depositors under the plan are being notified by circular. The failure of shareholders and unsecured shareholders to respond in sufficient numbers was responsible. The severe break in the sulphite pulp market just after the plan was announced is said to have held back many.

The situation is now in the bondholders' hands. They will undertake the formulation of a new plan.

Shaughnessy—The Organizer

Extracts from the Sketch of Lord Shaughnessy by "The Make-up Man" in "Ottawa in Masquerade."

The C. P. left the zone of high imagination just about when Shaughnessy stepped into the office of president. It was his to operate, and to build as well. But the operations were all of a system which had crept into through traffic from Yokohama to Montreal as far back as 1889; and the new lines built under Shaughnessy were just branches of the old trunk. He took over a despotism and made it an autocracy.

Shaughnessy was no miracle man. He was a wonderful maestro of details, a clear-headed organizer of systems and a man to provoke high respect in those who had to deal with him at close range.

Shaughnessy was essentially a system man. When he travelled he had his practical jokes and his Irish stories and his fondness for the social side. But he was conventionally as correct as a time table. Had there been a spark of genius in him he would have extinguished it for the sake of betterments to the most conventional Colossus in Canada.

But in the Shaughnessy program betterments were a gigantic affair. I have no idea where they began or whether when he took the chief buzzer from Van Horne there was any sense of a revolution in the anatomy. No doubt there was; a younger man, a steadier man, a man who would never bother quarelling with Goldwin Smith over commercial union or make any speech or hand out any interview not rubber-stamped with a sort of statesmanship.

Actually as Shaughnessy worked it out the C. P. had a scheme of national expansion that acted independently of government. Its own ships, trains, roads, docks, land-offices, immigration agents, poster-advertising—until the average European looking for a way out of economic slavery believed that the C. P. R. was the owner and operator of Canada—a belief which was not contradicted except officially at home.

Under Lord Shaughnessy it was unoffically believed that the head of C.P.R. was somehow overlord to governments. Away from it he was of little consequence except as a benevolent citizen with statesmanlike views upon how governments should govern. Within it he was mighty. He felt himself the apex of a thing that knew no provincial boundaries. He consciously made it the instrument of Empire. He was inordinately proud of its morale. To him it was a complicated army. He felt it assimilating men who lived, moved and had their being in C. P. R.—as he had. He was the great human rubber stamp. He had extra power. He lived on fiats and papal bulls. Men learned to tremble at his nod—not at Shaughnessy, but at the man who personalized the infallible system. And as governments came up and capsized in the storms of public sentiment, the great system went on, in its sullen but splendid way, a sort of solar system in which parties and government gravitated.

The contagion of success transcended statistics, and infected every man with a desire to keep C. P. efficiency at the top.

And the older he grew the more Shaughnessy became absorbed in it. He was the president. In his career the office of president reached its climax. It was shorn of much of its aspect of awe as soon as he left it.

No pomp however could undo such efficiency, and in the main such national sanity. Shaughnessy always liked to have a voice in national affairs. That was partly tradition. It also kept the public from remembering that the railway after all was a creature of government and of politics.

The war gave Lord Shaughnessy for a time almost equal prominence with Sir Sam Hughes. His quite sensible speech criticizing the haphazard and costly methods of recruiting made Hughes retort that to raise the First Contingent was as great a chore as building the C. P. R. Lord Shaughnessy earned that absurd retort because of his announcement to the Government that he meant to make the speech; as though the nation would be waiting to hear it. The government was not amiable over being chidden by the baron, even though the baron had been made the general purchasing agent for the Imperial Government in Canada, and, as such, with the railway and the ships at his disposal, making him the antecedent of both Hughes and Flavelle in getting war supplies. The railway War Board also derived most of its efficency from the C. P. R. pooling its equipment with the less efficient roads.

SPEAKING IN MARKS

The recent 5,900,475,164,951,879,000 mark increase in German discounts and treasury bills in one week means one mark per mile every mile of the distance a ray of light would travel in one million years—if it didn't get tired and quit. The 2-quintillion-mark increase in the note circulation that same week means over 400,000 marks per match for every one of the 4½ trillions of matches used in the world last year. At 12 cents a trillion, last week's low, the whole mass was worth $300,000. In the last ten days of October government expenditures amounted to 6½ quintillions, 2½ times the whole circulation, and revenues amounted to but one one-thousandth of that sum. The floating debt on November 15 was estimated at 191 quintillions.

HOPE FOR RESEARCH IS MANUFACTURERS'

Little Hope That Government Will Vote Funds Sufficient For Real Results

From Our Own Correspondent.

OTTAWA.—It is not known here upon what Professor J. C. McLennan based his opinion, when addressing the C. M. A. convention recently at Toronto, on the establishment of a laboratory for scientific research, he said: "I do not believe that there are any signs that such an institution will be established by the government anywhere in Canada for the next fifty years." It is, however, thought that if it is really wanted the quickest way to get it would be through private means.

The demand for economy and reduced taxation is so strong that the government will hardly provide for new expenditures that are not of an imperative nature. While there are many strong arguments advanced for the establishment of an institution for scientific research, still, admittedly, it is in the debatable class. Besides, the average member of parliament is thinking about almost everything else. The fact that the total expenditure during the first seven months of the fiscal year was only $173,414 less than that for the same period in 1922-23 is sure to be advanced as a good reason against new expenditures of account next year.

Those who know the ways of governments are inclined to think that Prof. McLennan made a fairly good guess, as far as the prospects for the next few years are concerned. What may happen during the next fifty is more than anyone in political circles cares to guess.

Ford Made Production Record in October

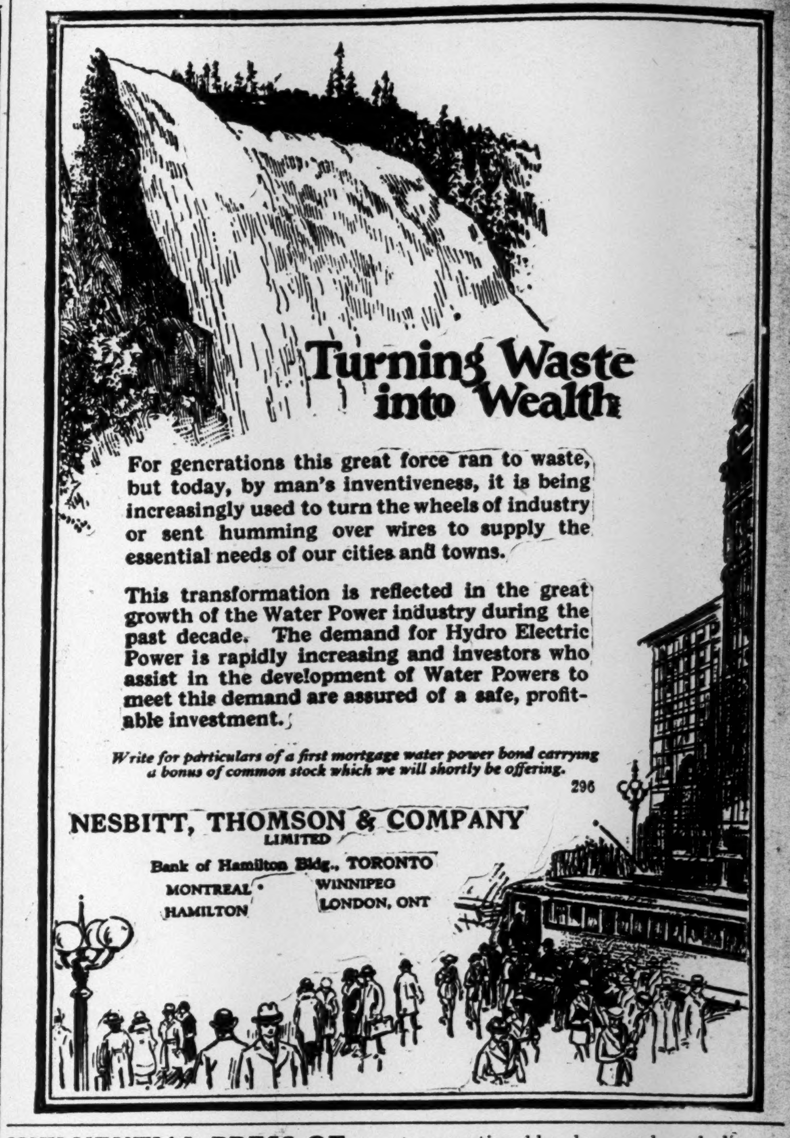
DETROIT. — Monthly production records were broken by Ford Motor Co. in October, when 209,159 units, including cars, trucks, tractors and Lincolns were made in all plants, local and foreign. This exceeds September by 13,828. Lincoln plant scored a record in October with the delivery of 925 cars.

Record production is especially significant when the time of the year is considered, indictaing not only a prosperous condition of the industry, but that the usual seasonal slump may be a thing of the past.

Ford Company has started a winter selling campaign, by which it plans to retail 1,000,000 cars and trucks during the period from October to March, inclusive. This is at a rate of over 166,000 cars and trucks a month and will call for a production schedule of an average of 6,666 a day during the winter, or 2,000,000 cars and trucks a year.

B.C. MINING ASSOC. OFFICERS

Nelson, B.C., new officers of the Mining Asociation of the interior of British Columbia are: President, R. Randolph Bruce, Invermere; Vice-President, J. P. MacFadden, New Denver; Secretary-Treasurer, W. H. Burgess, Kaslo; Auditor, H. Gigerich, Kaslo; Executive, W. A. Cameron, New Denver; Mayor James Anderson, Kaslo; E. G. Montgomery, Kimberley; W. T. McDowell, Ymir; Douglas Lay, Rossland; S. S. Fowler, Riondel; T. W. Bingay, Trail, and S. G. Blaylock, Trail.



INFLUENTIAL PRESS OF COUNTRY DEMANDING TAXATION RELIEF

(Continued from page 1)

national taxation is generally blamed for this."

There are many respects in which Government economy and retrenchment would enable a reduction or rearrangement of taxation, but in this regard it is well to note the fact that chiefly the direction in which reduction of taxation is advocated in the United States is the reduction of income tax. The superficial idea of the public is that income tax is a wholly desirable tax. It undoubtedly is desirable to a certain extent, but the feature of it which is probably the most popular thing about it in the minds of the majority of people, namely the excessive sur-tax feature, is probably the very worst. This sur-tax takes from the well-to-do citizen a repidly-increasing proportion of his income as his income shows higher. But it is not a good thing for the state or for industry that this money should go into the Government coffers. If it did not go there it would necessarily be used in the promotion of industry; and money which is used in the promotion of industry is almost always a great deal better for the community than money which is spent by a Government.

It is easy to say that if a man has a surplus income he may use the surplus income not to promote industry but to buy investments. But if he buys investments, where does he get them? Somebody has to sell them; and that somebody has to use the money in some way, so that no matter what is done with surplus income to begin with, it must inevitably, sooner or later, go into the industrial or commercial business of the community again and tend to promote employment and prosperity.

It is a sure thing that this country cannot profitably continue to show a higher rate of taxation than the United States, and it is undoubtedly up to our various Governments if they wish to do well by this country to show a determination in the direction of reduction of taxation.

TAXATION RETARDING DEVELOPMENT

Sarnia Observer

Sir Frederick Williams-Taylor on the occasion of the annual meeting of the Bank of Montreal, referred in most emphatic terms to the injury that was being done business in Canada by the heavy taxation imposed. He pointed out that industry and commerce were unquestionably depressed and discouraged by the imposts demanded by governments. Capital was no longer anxious for investments in Canada while these taxes had to be paid.

Most people who have experience will agree with Sir Frederick's outline of conditions. There have been increases in governmental outlay beyond reason. This applies to municipal, provincial and federal departments. There appears to have been only indiffent action to reduce taxation. In the United States federal action is being taken to cut down the taxation. If the United States finds that a nation so prosperous is unable to meet the imposts, how much more vital is it that Canada should deal promptly with the same issue?

CANADA'S DEBT INCREASES

(Port Hope Guide)

With Secretary Mellon showing a national surplus of $300,000,000 as the basis for the proposed reductions of taxes in the United States, Canada's financial position is receiving increased attention. Unfortunately, there are no such favorable developments as have warranted the tax reduction proposals at Washington. An increase of $27,816,530 in the net debt of Canada during the month of November is shown by the statement issued through the Department of Finance. — FINANCIAL POST.

The above is just another argument in favor of the study of economy in the affairs of the Dominion of Canada, the provinces and all public bodies. Fresh schemes to wring extra taxes from the people increasing Hydro rates, express charges, postage and other public utilities might well not be tried. Newspapers and other enterprises have been driven out of business. In fact the people of Canada are now burdened to the limit of endurance. The wise statesman, whether in town affairs, or those of the country, is he who will study where it is possible to cut down expenses. A lower postage rate, a decreased town tax bill would be appreciated.

Let all our statesmen study the art of saving and cut heavy charges. For instance, why should the already high sales tax on paper be increased (as it is to be January 1, 1924), to 6 per cent.? The effect will be a knockout to other newspapers. Why should Hydro rates go up?—can't say, who can tell and for what? Except that those high in authority—who want to spend it.

CONSOLIDATED SMELTERS

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Company from Nov. 22 to Nov. 30, amounted to 9,771 tons, and from Jan. 1, to Nov. 30, 365,252 tons.

Mr. Babson Overlooked One Fact

IN a recent address before the Canadian Club at Toronto, Mr. Roger Babson stated: "Up to the present Mr. Henry Ford has not spent a nickel on advertising, except for the printing of a book of jokes."

For several years past the Ford Motor Company have been advertisers in Hardware and Metal, Canada's National Hardware Weekly.

Hardware and Metal reaches by paid invitation each week over 90 per cent. of the purchasing power of the wholesale and retail trade in Canada, and in addition reaches over 400 purchasing agents of railways, mines, and industrial concerns. For complete details drop a line to Hardware and Metal, 153 University Avenue, Toronto, Canada.

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100 Loew's London Pfd.
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Will Sell
100 Cosgrave Brewery.
25 K. & S. Pfd.
50 K. & S. Com.
3,000 K. & S. 7% Bonds.
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FIRM UNDERTONE TO NEGLECTED MARKET DURING THE WEEK

Trading for Most Part Confined to Oil and Mine Shares

WHAT OF THE FUTURE?

Street Much Concerned With This Question—Many See Further Movement Upward

The market has maintained a firm undertone but furnished little encouragement to investors or speculators to become interested. The list for the most part stood neglected. Trading centred around oils and mines. The number of major market issues to attract a fair share of attention was confined to a dozen. Brokers say the answer is simple, the Christmas season is now on and trading that remains is of the professional variety.

Men on the street are more concerned trying to size up the market for the future rather than with worrying over the present lack of trading. New York to date has shown no sign of weakness other than little periodical recessions due to profit taking. The list continues to maintain its steady pace upward. Some contend that the whole movement is a real investment movement. It may be but there is also a large number of investors who got into the market some time ago and who have been looking for a chance to get out. The market is now reaching a point where they may be expected to come in and unload more and more.

There are many skeptics as to the forces behind the movement and undoubtedly these are keeping quite a number of investors out for fear of a sudden break. Others say the public is taking a larger interest. They claim that improving business conditions warrant this. Thus is created another line of division. Some street leaders say business is easing steadily. Here is how Hayden and Stone view this:

"While the situation is sound, this is by no means equivalent to saying that we are in a boom. As a matter of fact no boom is in existence or in prospect; indeed, whatever changes there are in business are in the direction of some slowing down. This is the season of the year when there is generally some recession from the extreme activity of the summer. It is a fact that idle freight cars are accumulating quite rapidly; that steel capacity is not so fully employed. Most companies will report earnings for the fourth quarter distinctly less than for the third. There is nothing in this surprising or alarming. The country must be prepared for severe competition and, perhaps, a somewhat smaller margin of profit. We are frank to say that on what we understand some stocks will show in the way of earnings and their prospects for next year, they are selling rather high. This, however, is true of only a comparatively small minority. Offsetting this there are quite a number that will show up so handsomely as to seem still quite cheap. In short, we see no reason to expect any large horizontal movement in either direction without some important new development, but the situation is sufficiently sound to induce the purchase of issues that seem individually cheap."

On the two Canadian lists the trading was divided 50-50 between active and inactive issues. Of the latter the major portion stands in the loss column. With but perhaps one or two exceptions the losses were fractional while in many cases gains were 3, 4 and 5 points. Eleven stocks figured in what might be termed fair movements of two or more points.

The figures:

Group	Total	Gain	Loss	Unch'd
Paper	8	2	0	6
Industrial	19	5	3	11
Specialty	8	2	0	6
Utilities	10	3	1	6
Traction	6	0	4	2
Steel	5	2	2	1
Textile	7	4	1	2
Milling	4	2	0	2
Banks	12	4	4	4
	79	24	15	40

Much U.S.A. Freight Passes Through Canada

OTTAWA. — The July Canadian railway monthly traffic report just out contains further evidence of the extent to which Canadian railways are handling American freight. Of the 7,730,000 tons of freight that originated during the month, 2,730,000 tons were received from foreign connections. Of the 5,748,000 tons of freight that terminated, 2,040,000 tons were delivered to foreign connections. Of the freight loaded at stations in Canada during the month, 1,455,000 tons were mine, and 1,271,000 tons forest products.

NO NEW MINE TAXATION

NELSON, B.C.——The provincial government is not to guarantee the bonds of the Coast Range Steel project, the Mining Association of the Interior of B. C. was told by J. J. Warren, president of the Consolidated Mining & Smelting Company just back from Victoria. He reported that the tax committee had been assured that the bonds would not be guaranteed. Assurances had also been given that there would be no additional taxation this session unless perhaps a tax on fuel oil.

ONTARIO MOVING UP IN WORLD'S PRODUCTION OF GOLD

In 1915, Ontario produced $8,400,000 in gold or 1.8 per cent. of the world's output. Last year the total of $21,500,000 was 7.2 per cent. of the world's total. It has been estimated that the 1923 figures will show an even greater percentage.

Opposition Would Cut Tram Power Debt

From Our Own Correspondent.

MONTREAL.—The opposition group in Montreal Tramways and Power Company have been working out a plan whereby they would reduce the funded indebtedness of the company by fifty per cent. in March next, when $7,300,000 of five-year notes mature. They are working hard to get the support of the majority of the shareholders at the annual meeting.

The committee, in a circular, condemn the policy of short-term financing that has cost the company several hundred thousand dollars. They point to the company's valuable holdings of $7,000,000 of Montreal Tramways debentures, and $21,000 shares of Montreal Tramways' stock, which were offered as security for $7,300,000 of 6½ per cent. five-year notes, which had to be sold at 95 less 3 per cent. commission.

RAW COTTON UP; GOODS MAY FOLLOW

Advance Expected to Curtail Demand for Textile Products

From Our Own Correspondent.

MONTREAL.—Price indices indicate that cotton goods in Canada have not followed raw cotton in its upward movement, and further upward adjustments in price lists of many cotton products are expected. One result is certain to be a slowing down in consumption, and this would have a tendency to reduce activity in the textile mills.

Comparative index numbers of cotton and cotton products for Canada as compiled by the Dominion Bureau of Statistics are as follows:

Commodity	Avge. 1922	Sept. 1923	Oct. 1923	Nov. 1923
Cotton—				
Raw	173.5	226.8	236.1	271.4
Yarn-thread	165.3	19.9	196.9	219.1
Fabrics	193.7	210.1	210.6	211.6
Hosiery	263.8	295.2	295.2	295.2
1913—160.				

Cotton represents about 50 per cent of the cost of most cotton textiles.

Tungsten ore, believed to be in commercial quantities has been located on the claim of Granite Mining Co., near Prince George, B.C.

Times copyright London dispatch says British prices were up 5⅛% in November. Economist's index of average commodity prices at end of month 4,541, against 4,320 previous month and 4,283 a year ago.

MANY CANADIANS AMONG PEOPLE COOK SWINDLED

He and Cox of General Oils Fame are Severely Castigated by Court

Dr. Frederick A. Cook, S. E. J. Cox and numerous other fake oil promoters of the U. S., have gone to their reward, prison. Numerous Canadians number among their victims. Cox got a lot of good Canadian funds for his "General Oils." He is said to have victimized 16,000 persons out of $7,000,000. The way he flooded Canada with his "come-on" promotion literature and follow-up letters leaves the impression that he found many dupes on this side of the line. When he was sentenced the judge remarked to him:

"You may justify the despicable business you are in, but decent people never will."

Cook was a "re-loader." His eloquent letters induced holders of worthless oil stocks to exchange their stock and some cash for corresponding shares in a new merger. The cash went into Cook's pocket, while the stockholder, already loaded with worthless stock, was induced to take more.

The judge's castigation of Dr. Cook's is a word picture. It follows:

"So you can say nothing. You have come to the point where your peculiar personality fails you. The twentieth century should be proud of you. History gave us Ananias and Sapphira. They are forgotten, but we still have Dr. Cook.

"Cook, this deal of yours is so damnably rotten that it seems to me your attorneys must have been forced to hold their handkerchiefs to their noses to have represented you. It stinks to high heaven. You should not be allowed to run at large. I know that you have your ill-gotten goods put away, but your wife and daughter should not be allowed to touch them. You have stolen this money from widows and orphans. You should start another company and distribute it back to them.

"Cook, have you no decency at all? Are you not haunted at night by these pitiable figures? I am not going to do justice in this case, for I think that you will get it somewhere else. You ought to be paraded as a practical warning in every State where you have sold stock."

Reports in French press say France imported 76,000 tons of wheat from Russia up to August 15 this year, and negotiations going on for 100,000 tons.

News and Views for Investors

NATIONAL STEEL CAR

National Steel Car, of Hamilton, has just received an order for 15 new colonial cars from Canadian Pacific Railway.

MONTREAL POWER

Montreal Light, Heat and Power continues in heavy demand and leads all the Canadian stocks in the total of transactions, 11,659 shares in a week. At the same time the price moved up from 137 to 142.

TUCKETTS

Evidently shareholders of Tobacco Products Corpn. of the United States are picking up further holdings in Tucketts. There has been substantial buying of late and the stock has moved up from 50 to 57.

FORD

Ford shares continue to sell well below the year's high mark of 480, 10 shares recently changing hands at 410. Shareholders became dissatisfied when the July dividend was passed and with keen competition developing the old confidence in the stock has not been revived.

CANADIAN CAR

Buying orders involving 975 shares were responsible for an increase in the market of Canadian Car and Foundry, from 29⅝ to 31½. Reports that the arrears on the preferred, 10½ per cent., are to be further reduced has caused the new interest. Recently two 3½ per cent. declarations were made.

CANADIAN LOCOMOTIVE

Five shares of Canadian Locomotive were sold during the past week at 70. This is the first sale recorded in this issue since Sept. 28, and it also shows a price advance of $7 per share. The smallness of the block and the fine outlook for the company with its heavy locomotive orders, undoubtedly caused the price advance.

CITY DIARY

Fluctuations on City Dairy common have been quite pronounced. Little of the stock is coming out, with the result that the price tendency is back to the recent high of 175. The stock closed last week at 159 and for the next few days not a transaction was recorded. Later 105 shares were sold from 162 to 175.

NEW BIDGOOD OFFICERS

Shares under the reorganization of Bidgood mines will be listed on Monday. The new officers are: President, Leo Erenhous, Haileybury; vice-president, M. J. Wallace, North Bay; secretary-treasurer, W. B. McPherson, Toronto; consulting engineer, Horace Strong, M. E., Haileybury; Simon N. Stein, Rochester.

THREE STRONG GROUPS

Market developments during the past few weeks have shown the soundness of previous forecasts that the power, newsprint and mining stocks would engage the chief interest for some time to come and would likely show the greatest strength. In these phases of industry has recent development been the most rapid and the best sustained.

STEEL SHAREHOLDERS MUST HELP TRUST TO SHARE BENEFITS

L. R. Steel Shareholders were told by C. H. McKenzie, secretary-treasurer of the L. R. Steel Protective Trust Association, that those who do not contribute to the trust would not benefit in the reorganization of the company. It would not be fair, he said, to permit those who were holding shares for speculation to benefit from the investments of others.

BRITISH EMPIRE STEEL

The British Empire Steel is working up an excellent coal trade in New England States. If the threatened coal strike in the soft coal field occurs and the Nova Scotia miners stay at the pits the trade is bound to mount up. Exports to the U. S. through Nova Scotia ports are shown in the following table:

Year	Tons	Value
1921	42,479	$ 417,233
1922	16,087	129,322
1923	580,073	3,557,101

CANADIAN COTTONS

Officials of Canadian Cottons, Ltd., opened in Maryville, N.B., the first of their conferences of mill managers to be held outside the headquarters of the company at Montreal.

The conference is devoted entirely to the business and technical side of the organization. Heading the visitors at the conference is A. O. Dawson, of Montreal, vice-president of the company. He says that the business just now is considerably hampered by the abnormal price of raw cotton and does not look for high production figures until conditions adjust themselves.

SPANISH RIVER

A great many traders and shareholders are still unaware of the special feature which makes the preferred issue of Spanish River Pulp and Paper so attractive. Outside of Spanish preferred being a cumulative issue, it has a special provision whereby it participates with the common shares on all disbursements after the 7 per cent. has been paid on the common. As the common is on, and has been for a long time, a 7 per cent. basis, any future dividend increase or bonus increasing the disbursement will have to be made also to the preferred issue. With such speculative possibilities added to the usual preferred features the preferred issue of a company with the strong financial position and splendid earning power of the Spanish River Pulp and Paper Mills, has a good future ahead of it and is certainly selling out of line at present with the common.

"SMELTERS"

The recent advance of Consolidated Smelting has suggested to some that the directors may shortly resume dividends. This story was circulated last fall prior to the close of the fiscal year, and was primarily responsible for the stock running up from 18¼ to a high point of 28½. A good deal of disappointment was expressed when the directors failed to take action at that time. Similarly, says Financial Service, the old story is being made to serve as the current fiscal year nears a close with the end of the present month. While it is possible that the earnings this year may make a better showing than they did last, it is understood that the management favors the building up of reserves rather than the payment of dividends at the present time. The company paid 4 per cent. in 1912-13, 8 per cent. in 1918-20, and 10 per cent. in 1916-1920. Since the end of 1920 no dividend has been paid.

Prices for lead and zinc, two of the principal outputs of the company, were better during the first six months of 1923 than they were in the corresponding period of 1922, but since then the movement in comparison has been somewhat irregular.

ST. LAWRENCE FLOUR

St. Lawrence Flour Mills sold up to 7½ during the week. Current business is understood to be satisfactory. Results for the first three months of the current fiscal year have been considerably better than was at first expected, and the month of November is said to have ranked as one of the most active in the history of the company.

A number of new accounts are understood to have been opened in Europe, and this business is going forward steadily. From all current indications, earnings are running at a rate considerably in excess of 1922, and one estimate is that providing, the current business volume is maintained, and given a continuance of present favorable markets, the company should show earnings at least double those of 1922, during the greater part of which time the millers were forced to sell close to an actual cost basis in order to hold their turnover and keep their mills in operation.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING DECEMBER 12

	Div. Rate	High	Low	Close	Close Nov. 27	Sales	1923 Range High	1923 Range Low
Banks—								
Commerce	12+1	185½	182½	184	184½	206	201	182
Dominion	12	186½	185	186	186½	128	203	184½
Hamilton	12	181	180	181	181	234	190	147
Hochelaga	10	146	145	145	145	15	152	142
Imperial	12+1	179	178	179	179	95	194	167¼
Molsons	12	158	157½	158	158	27	177	154½
Montreal	12+2	240	239	239	240	209	248½	225½
Nova Scotia	16	254¼	254	254¼	253	65	266½	251
Royal	12+2	211½	211	211½	211	75	223	208
Standard	12	173	166	168	165½	47	212½	165
Toronto	12	172½	172½	172½	172½	6	192	171¼
Union	8	105	104½	105	105	139	141	104½
Paper—								
Abitibi, com.	4	62⅞	61⅞	62¾	62	1770	74	56½
Brompton Pulp	...	41½	40¾	41	41½	1327	44	35
Laurentide	6	91¾	90¾	91½	92	1590	103½	85
Price Bros.	2	41	40	40	40	937	47	40
Prov. Paper. com.	6	90	90	90	83	5	92½	83
Prov. Paper. pref.	7	93½	92	93	94	85	98	92
Riordon, com.	...	12	12	12	12	95	20	1⅛
Riordon, pref.	...	15	15	15	2¼	395	15	2
Smith, Howard, com.	6	69½	67	68¾	67	130	83¼	61½
Smith, Howard, pref.	8	99	99	99	98½	60	108	97
Spanish River, com.	7	102¾	99	101	100¼	5609	103	82
Spanish River, pref.	7	107¾	104½	106½	106	3548	108	94
St. Maurice Paper	6	109	107	108½	109	1030	114½	88½
Wayagamack	...	37	37	37	37	110	60	32
Steel and Steel Industries—								
B. E. Steel, com.	...	4¾	4	4	4¾	600	10	4
B. E. Steel, 1st pref.	7	56	54	54¼	57	330	73	54
B. E. Steel, 2nd pref.	...	13	12½	12½	14½	336	26½	12¼
Can. Car & Foundry, com.	...	31½	29½	31½	29⅝	975	35	20
Can. Car & Foundry, pref.	3½	81	78½	81	78½	1411	81	67¾
Can. Foundries, com.	...	23	22	22	23⅞	60	35	22
Can. Locomotive, com.	4	70	70	70	63	5	75	60
Dominion Bridge	4	62	60	62	60	100	78¼	55
Dom Coal, pref.	7	80	80	80	80½	5	86½	80
Dominion Radiator	7	95	95	95	98	13	99⅝	95
Dominion Iron, pref.	7	57	57	57	59	100	80½	55
Dom. Steel Corp. pref.	6	72	71	71	71½	30	82⅞	70
Steel of Canada, com.	7	73	72	73	72	336	79	60¾
Steel of Canada, pref.	7	100	100	100	100	16	103½	95
Milling—								
Canada Bread, com.	...	66	64	66	66	354	66¼	52
Canada Bread, pref.	7	94½	94⅜	94½	94½	110	95	90
Lake of Woods, com.	12	168½	167¼	168½	165	11	184½	160
Lake of Woods, pref.	7	117	117	117	117	9	119	113
Maple Leaf, pref.	7	83	81	83	82	79	102	64
Ogilvie, com.	12+10	305	305	305	307	10	333	270
Ogilvie, pref.	7	116	115¼	115½	117	60	120	114½
St. Law. Flour, com.	6	71¼	66½	71¼	65⅝	1853	80¾	49½
Utilities—								
Bell Telephone	8	127½	124¾	127½	125	798	126½	112
Consumers Gas	10	160	159¾	160	160	53	163½	150½
Dom. Telegraph	6	43¼	43¼	43¼	43¼	92	45½	40
Mackay, com.	7	111½	109½	110	111½	672	124	105
Mackay, pref.	4	67	66	67	67	87	72½	66
Montreal L. H. & Pr. Cons.	6	142	134⅞	141	135	11659	142	103¼
Montreal Telegraph	8	52½	52½	52½	52¼	157	53	46
Ottawa L. & Pr.	6	81½	81½	81½	81	65	92½	79½
Quebec Power, com.	...	64	63½	63½	63½	14	70	63½
Shawinigan	7	123½	119¾	122¾	120¼	4359	123½	112
Transportation—								
Canadian Pacific Rly.	10	149⅜	147¼	147¼	148	173	162½	142
Can. Steamships, com.	...	12	12	12	12½	120	19	9¼
Can. Steamships, pref.	...	42	40⅛	40⅛	42	254	56¾	40
Tractions—								
Barcelona	...	16½	16½	16½	16½	50	22	12½
Brazilian	4	42	40⅜	41½	40½	6082	53	35½
Detroit Un. Rly.	6	61¼	60	60	60	890	79½	56
Duluth Superior	...	38	37	37½	38½	310	44	28½
Illinois, com.	50c	60	59	59	59¾	225	63	35
Illinois, pref.	6	88	88	88	89	35	92½	77¾
Montreal Tram.	10	158	158	158	159	5	159	140
Porto Rico Rly. pref.	7	67	67	67	70	5	80½	67
Toronto Railway	...	84¼	83	83¾	83⅜	500	93	73¾
Twin City, com.	6	71	66½	66¾	70¾	937	80	58
Twin City, pref.	7	98	98	98	98½	40	106	97⅜
Winnipeg Elec. com.	...	30	28¾	28¾	29¾	127	42½	27
Winnipeg Elec. pref.	7	84	81	81	84	30	87¼	80
Textiles—								
Can. Conn. Cotton, pref.	8	83½	83	83	83½	40	85	80
Can. Converters	7	81⅞	81⅞	81⅞	81	5	103	79
Can. Cottons, com.	8	103	98½	103	98½	3227	137	98
Can. Cottons, pref.	6	83½	83	83	89½	150	93	83
Can. Woollens, com.	...	7	7	7	6	10	20	5
Dom. Textile, com.	4	64	63	64	63¼	121	72	61⅛
Dom. Textile, pref.	7	109	109	101	109¼	1	112	106¼
Montreal Cotton, pref.	7	104½	104½	104½	104¾	2	110	104½
Penmans, com.	8	145	144½	144½	147	321	165½	127¾
Penmans, pref.	6	98	94	96	98	59	99¼	92
Wabasso Cotton	4	66	65	65	66	100	81⅛	65
General Industrials—								
Amer. Salesbook pref.	7	90	90	90	90	4	93	86⅜
Asbestos, com.	4	35	34	34	35	220	72½	25
Asbestos, pref.	6	63	61½	61½	62	146	91	57
Atlantic Sugar, com.	...	15½	14¾	15¼	15	188	27½	14½
Atlantic Sugar, pref.	...	36	34¾	35	37	321	48	34¾
B. C. Fishing	...	17½	16½	17½	18½	30	24	12
Burt, F. N. com.	10	131	131	131	131	24	140¼	123½
Canada Cement, com.	6	86¾	86	86	86¾	516	88¾	77
Canada Cement, pref.	7	103½	102¾	103	103½	210	105½	100
Can. General Electric, com.	6	113⅝	113	113½	113	572	113⅝	80
Can. General Electric, pref.	7	112¾	112¾	112¾	112¾	35	112¾	101
Canadian Salt	8	111	111	111	111	5	112	100
City Dairy, com.	10	165	162	165	159	105	175	135
City Dairy, pref.	7	104	104	104	104	12	106	96
Crows Nest Coal	6	40	45	45	45	10	52	45
Cuban Can. Sugar, com.	...	6	6	6	7	10	14	3
Cuban Can. Sugar pref.	...	33¾	33¾	33¾	34	10	47	25
Dom. Canners, com.	...	24	23½	23½	25	44	39	24½
Dom. Canners, pref.	7	80	78	78	77	78	90	74½
Dominion Glass, com.	7	103	101	102⅜	103	1040	105¾	89
Ford Motor	10	410	410	410	400	10	480	400
Goodyear Tire, pref.	7	81	78	81	77	135	96	71
Lyall Construction	...	14	14	14	14	5	48	10
National Breweries, com.	4	54½	53½	54⅛	54	1355	55¼	46
Pacific Burt, com.	6	99	99	99	99	10	107	92
Pacific Burt, pref.	7	102	102	102	102	20	108	95
Rogers, Wm. A. com.	...	46	46	46	49	5	76	46
Rogers, Wm. A. pref.	7	88	85	85	85	20	95¾	85
Russell Motor, pref.	7	49	49	49	48	15	75	47¾
Sherwin Williams, com.	6	107	105¼	105¾	107	35	123	91
Sterling Coal	4	45	45	45	44½	51	45½	39
Tuckett Tobacco, com.	4	57¾	55	56¼	50	85	60	45
Tuckett Tobacco, pref.	7	92⅛	90	89	89	87	96	87½
Woods Mfg., pref.	7	65	65	65	62¾	2	85	59½
Trust and Loan—								
Canada Landed	10	87¼	86¾	87	85	166	87	73
Colonial Invest.	6	7	7	7	7½	8	8¼	7
Union Trust	7	96	96	96	96	12	98	92

UNLISTED SECURITIES

	Bid	Ask
Alta. Pac. Grain Com.	98	101
Alta. Pac. Grain Pref.	88	90
Belding Paul, Pref.	85	88
Belgo Can. Paper, Pref.	90	93
British Mtge. & Loan	199	..
Collingwood Ship. Com.	55	65
Can. Machinery, Pref.	22	27
Can. Machinery, Com.	5	8
Can. Mortgage & Inv.	65½	..
Calgary Power, Com.	8	..
Canadian Bag, Com.	123	..
Can. Oil, Com.	39	43
Can. Oil, 8 p. c. Pref.	90	93
Can. Starch, Pref.	..	54
Can. Westinghouse	133½	135½
Capital Life 20 p.c., Pref.	..	27
Cockshutt Plow 7 p.c. Pref.	43	44½
Cockshutt Plow, Com.	..	11
Continental Life	24	..
Cosgraves Breweries	5	5¼
Commercial Finance, Pref.	60	..
Crown Life	96	..
Dom. Power, Pref.	94½	97
Dom. Power Com.	36	38
Dom. Sewer Pipe Com.	26	30
Dom. Sugar	190	205
Dryden Pulp	2	3
Dunlop Tire 7 p.c. Pref.	83	86
Durant Motors	5	6
English Elec. Com.	7	9
English Elec. Pref.	48	51
Excelsior Life 26 p.c. pd.	32	..
Famous Players Com.	4	6
Famous Players 50 p.c. Com.	61½	64
Farmers Dairy	54	..
Goodyear Tire Com.	20	..
Great West Life	225	..
Gunns, Ltd. 7 p.c. Pref.	26½	..
Hamilton Pantages Com.	1¼	2
Hamilton Pantages Pref.	34	..
Imperial Tobacco Com.	5½	6¼
Imperial Trust 50 p.c. pd.	..	48
Int. Milling Pref. (Del.)	..	96½
Int. Mill. Pref. (Minn.)	95½	..
K. & S. Tire Pref.	24	26½
K. & S. Tire Com.	½	¾
La Paz Oil	..	25
Lambton Golf Club	450	475
Loew's Buffalo Pref.	49	53
Loew's Buffalo Com.	1	1½
Loew's Hamilton Pref.	33	..
Loew's Hamilton. Com.	3	..
Loew's London Pref.	5	5¾
Loew's London Com.	1¼	2
Loew's Montreal Pref.	24	27
Loew's Ottawa Pref.	19	22
Loew's Ottawa Com.	½	¾
Loew's Toronto Pref	62½	65
Loew's Toronto Com.	31	35
Loew's Windsor Pref.	8	..
Manitoba Power Com.	18	21
Marconi Wireless	..	1½
Massey Harris	35	39
Manufacturers Life	55	58¼
Mattagami Pulp Com	1½	3
Mattagami Pulp Pref.	..	8
Mercantile Trust	99	..
Mtge. Disc. & Fin. Pref.	5¾	6½
Mtge. Disc. & Fin. Com.	2	2½
Monarch Life 10 p.c. pd.	10	12½
Neilson Wm. Pref.	95	..
Neilson Wm. Com.	96	..
National Brick Pref.	51	..
National Brick Com.	11¼	13
North Mex. Power Pref.	34	..
North Mex. Power Com.	..	9½
Ont. Equitable Life	18	22
Page Hersey Pref.	88	90
Page Hersey Com.	85	90
Provincial Bank	..	117
Robt. Simpson 6 p.c. Pref.	87	90
Robertson P. L.	15	25
South Can. Power Com.	44½	46
South Can. Power Pref.	89½	91¼
Sterling Bank	89	91
Sun Life 50 p.c. pd.	170	..
Sun Life 35 p.c. pd.	120	..
Toronto Brick Com.	28	..
Toronto Brick Pref.	72	..
Toronto Carpet Pref.	98	101
Toronto Carpet Com.	99	..
Toronto Finance, Com.	1½	2½
Trusts and G. 20 p.c. pd.	1½	..
Trusts and Guarantee	70	73
Western Assurance	7	7½
Western Grocers Pref.	29	32
Western Grocers Com.	2	4
Whalen Pulp Com.	..	2
Whalen Pulp Pref.	..	10
Willards Choc. Com.	..	10
Willards Choc. Pref.	..	80
Volcanic Oil & Gas	..	92

HOME BANK WAS NEVER IN HANDS OF REAL BANKER

Handling of Bank's Affairs Condemned by Mr. Clarkson

RECKLESS BUSINESS

Liquidator Tells Depositors and Shareholders Frankly of the Transactions Which Lost Money

In emphatically condemning the administration of the Home Bank which he says was never at any time in its career headed by an experienced and trained banker, G. T. Clarkson interim liquidator, outlined for the depositors gathered in Toronto the history of the institution, showing how the various losses had been incurred and bad loans incurred. Referring to the situation during the last year of operation he said:

Last Year of Operation

In the year ending May 31, 1923, being the eighteenth year of operation of the bank, the paid-up capital increased by $500 to $1,960.500, while the Rest Fund, according to the bank's published statement, remained at $550,000. Deposits payable to the public amounted to $22,150,000, as compared with $22,100.000 at the end of the prior year. The total assets at the end of the year were $27,900,000, as compared with $30,000,000 at the end of the prior period. This was largely due to reduction in advances of the Dominion government, repaid to the greatest extent by realization of government securities.

The profits of the bank according to its published statement, amounted to $232,500, but included in such amount was $72.824, or Dominion and provincial government taxes. Deducting such taxes $159.715 of profits remained available to shareholders and for reserves, according to the bank's own statement. In order to arrive at these profits, interest on British Dominion, Holmes, King and Canadian Shoe Co., Frost advances, Western Canada Pulp and Paper Company, New Orleans Railway, Pellatt & Pellatt, Manufacturers' Holding and Investment Co., H. J. Daly and Pattison advances was included, to the amount of $480,125.

Amounts Transferred

The following additional amounts were also transferred to profits: Interest on the bonds and debentures of the Western Canada Pulp and Paper Co., which was capitalized $194,270; interest on the Ogilvie preferred stock sold to the bank in 1922, $20,000; bank premises written up, $19.001; amount transferred to head office profits out of sums set aside in the year against loss re King Shoe Co., $5.000. The total of these items amounted to $718.396, and had they not been included in profits, the profit and loss account of the bank would have shown a loss for the year of upward of $558 681, exclusive of any allowances for bad debts, and any further amounts which the future may prove should not fairly be taken into accounts.

Dividends paid for the year amounted to $137,216.

Masons' Indebtedness

In the year the Pattison account increased from $152,900 to $262,693, and during this period 1,000 shares of the capital stock of the Home Bank appear to have been transferred to Pattison. It will be noted that, while these shares appeared on the books of the bank in Mr. Daly's name, they formed part of the assets taken over by the Manufacturers' Holding Co. from Daly.

At the end of the year, J. Cooper Mason was indebted to the bank in $40,586, for which the bank held but slight security, while the estate of the late James Mason also remained indebted to the extent of $55,460, being the value of shares taken over by Mr. Daly, who is obligated to pay the amount of the indebtedness as the consideration therefor.

Was Carried as Asset

On May 31, 1923, the contingent funds of the bank, according to its own accounts, amounted to $110,167, of which $75.00 arose from the writing back of $100,000, written off in June, 1922, against the value of the British Dominion Holding and Investment Co. On May 31, 1923, this $75,000 was applied in reduction of the value of debentures and stocks carried at the head office. Subsequently, and in July, 1923, $45,000 of it was used to reduce the value of the Manufacturers' Holding and Investment Co. shares, transferred to the bank as a gift by Daly and Mason, down to $180,000, at which amount it now appears on the books of the bank, while $30,000 was applied to wipe out an amount standing against the Mercantile Securities Co. on the Toronto books, and carried in the head office books as an asset.

Three $10,000 Payments

This $30,000 consisted of three payments of $10,000 each, made to M. J. Haney as part payment of $50,000 agreed to be paid to him, so Mr. Haney states, as a proportion of certain profits earned in connection with investments by the bank in Canadian Locomotive, Canada Steamships, Montreal Transportation and other securities, where substantial profits were made by the bank while he was president. So far as can be seen, there is no documentary evidence stipulating that Mr. Haney should become entitled to a proportion of such profits. Under such circumstances, I am asking Mr. Haney to repay the amount, subject to determination by the court as to whether he is legally entitled to receive and retain such sums.

Mr. Clarkson pointed out that, with the suspension and failure of the bank, it was found that there were many serious losses to be met from bad debts in respect of accounts carried in the books as of full value. He says that it is apparent from such investigations as he has been able to make that the foreign department of the bank was used to a considerable extent as a means of affording assistance to the bank by the discount of bills, while also a number of transactions, which were either unauthorized, or it was desired should not be known to the Toronto office were put through this department. The losses in the foreign department so far as ascertained will amount to approximately $128 000.

The following further extracts from Mr. Clarkson's report bear on transactions in which losses were involved:

Manipulating the Books

Included in the profits for the year, ending 1922, were interest additions of $469,194, in respect of accounts which now show serious losses, including $84,819 on the British Dominion Loan, $25,128 on the King and Canadian Shoe Co. loan, $13,500 on the Holmes account, $173,000 on the Frost account (the interest being again taken into profits), $39,855 on the New Orleans account, $49,800 on the Pellatt loans, $43,500 on the Manufacturers' Holding and Investment Co. loans, $13,000 on the loans to the Western Canada Pulp and Paper Co. Beyond such interest of $469,194, the following other transactions were put through the books:

Worthless Stock

(1) Interest on bonds and debentures of the Western Canada Pulp and Paper Co., and not received, was taken, to the amount of $101,980, into contingent fund.

(2) Five hundred thousand dollars of stock of the Manufacturers' Holding and Investment Co., which I believe to be now worthless, was turned over to the bank by Mason and Daly, and taken on to the books of the bank as worth $250,000, and such amount was carried into the contingent account of the bank.

(3) Certain branch premises of the bank were sold to the Canadian Property Co. for $426,750, an amount which was $181,315 more than the book value of the same in the accounts of the bank.

(4) In addition the sum of $195,187 to the credit of contingent account and accrued interest account in the Toronto branch was transferred to the head office contingent account.

Out of the total of these four items of $626.502, so transferred, $100,624 was employed to write off interest capitalized on the debenture stock of the Western Canada Pulp and Paper Co., $100,000 was applied in reduction of the King Shoe Co. loan, $109.793 was taken into profits, and $313.228 was carried forward as an appropriation account. This means that of the writings up and the transfers of inside funds, as above mentioned, there was added into profits for the year $109,793.

Interest in Profits

"In 1921 the Frost interest, though apparently not included in profits, was as a matter of fact, actually added to them in a roundabout manner. This interest, to the amount of approximately $155,000, was included in the interest earned during the year, which was taken into profits. Then the advances to and the investment in the Canadian Property Co. was written up by a similar amount, and such writing up placed to the credit of the contingent account. On the face of the books, therefore, it would appear that the Frost interest of $155,000 had not gone into profits, but had been offset by a reserve of a similar amount. The fact was that the interest was taken into profits, while the offsetting account was derived from additions made to the Canadian property debt and investment."

OTTAWA TO HEAR MUCH MORE ABOUT THE HOME AFFAIR

Shareholders and Depositors Looking to the Government

The demand of the depositors the Home Bank that the government should make good their losses, and the suggestion of the shareholder that the government should relieve them of double liability were indications from the meetings held in Toronto last week that Ottawa will hear a great deal more of this bank failure. Not only were there demands on the government for financial relief, on the ground that the finance department knew of the weakness of the bank and did nothing to repair the situation and protect the public, but there was a strong feeling that there was something seriously wrong with the present banking system, and the administration of the Bank Act where such conditions as revealed in Mr Clarkson's report could be.

Debate on the resolutions dealing with the depositors' claims for redress from the Federal government and the government's relation to the collapse of the bank was punctuated with vigorous denunciation of the alleged failure of the government to disclose the condition of the Home Bank in 1916. On this basis it was repeatedly claimed that the Federal authorities had shown "contributory negligence," and that, as a result, the government was responsible for all the liabilities of the bank incurred after that year.

The resolutions adopted demanded: that as the finance department had been informed of the precarious positions of the bank, the depositors are justly entitled to receive full indemnity from the government of Canada; that as the government through contributory negligence is responsible for all liabilities of the bank contracted subsequent to 1916 the government be requested to reimburse in full all claims of depositors; that the liquidator be requested to investigate and determine whether or not the Home Savings & Loan Co was perfectly solvent at the time it was absorbed by the Home Bank, and if it was not, what redress the depositors have against the provincial government; that in order to provide adequate safety for depositors the Bank Act be amended, requiring that all chartered banks contribute to a deposit redemption fund for the indemnification of depositors against loss and that this amendment be made retroactive January 1, 1923; that the Bank Act be amended to eliminate the priority right of Dominion and provincial governments as depositors; that the Dominion government consider the desirability of creating a proper bank inspection department; that funds be borrowed from the chartered banks to finance a distribution of 25 cents on the dollar to depositors; that a holding company be incorporated to handle the slow assets of the bank to advantage, and that action be taken to secure the return of $41 000 paid in taxes to the government on the grounds that as there were no profits there could properly be no taxes.

TAKING OVER BANK COST HOME HEAVILY

A Deal in Which C. A. Barnard Played a Leading Part Does Not Show up Well

In his report on the Home Bank. Liquidator Clarkson referred to the heavy costs to the institution of the La Banque Internationale. During December, 1912, $300,000 had been advanced to C. A. Barnard of Montreal for the purpose of allowing him to purchase shares of La Banque Internationale. Subsequently this amount had been increased by $72,000. With these moneys Mr. Barnard had purchased 74 per cent. of the capital stock of the Internationale. Early in 1913 the sale was consummated, in consideration of the issue by the Home Bank of $600,000 of stock which had been taken by the shareholders of the Internationale.

From a financial aspect and dealing with the matter roughly and approximately, the following costs seem to have been sustained by the bank as a result of the transaction:

"(1) The Manufacturers' Holding and Investments Co. is heavily indebted to the bank, and of its indebtedness $65,000 was advanced in connection with the purchase of Home Bank shares.

"(2) T. S. O'Connor, secretary for Mr. Daly, is indebted in upward of $30,000, and this amount appears to have been advanced to him through the Foreign Department in connection, so far as can presently be seen, with the release of Home Bank shares pledged to American banks by Mr. Daly and the Manufacturers' Holding and Investment Company.

"(3) A. J. Pattison, Jr., & Company are heavily indebted to the bank, and, of the advances made to them, which will probably not be recovered, upward of $90,000 was concerned with the sale of Home Bank shares. These three items account for losses of approximately $185,000.

Credits to Barnard

"Payments or credits given to Mr. Barnard in the connection were as follows:

"(1) The sum of $133,970, as before mentioned, was credited upon his notes for $396,400 and charged as part of the cost to the Home Bank of La Banque Internationale.

"(2) Paid to Mr. Barnard, in cash, also was $15,000, and he was given a further 260 shares of Home Bank stock, which, at the price of 128, amounted to $33,280.

"(3) Two hundred and fifty shares of the Home Bank would also appear to have been issued to Mr. Barnard, in trust apparently, for the benefit of Sir Rodolphe Forget or his associates."

Shareholders Would Evade Double Liability

Shareholders of the Home Bank of Canada are asking the Dominion government to pay all creditors in full without calling upon the shareholders for double liability. A resolution adopted sets forth that shareholders believed they had the right to ask this because of the failure of the department of finance to take proper action when its attention was called at various times in the past to the real state of the bank, and because of the failure of the government at successive revisions of the Bank Act to give adequate protection to the shareholders "against the misfeasance of directors and head office officials."

Liquidator Clarkson advises that in respect to shareholders who received in innocence unearned dividends, the law was not clear as to their obligations to repay.

Porcupine Grande has cut a 16-ft. body giving good commercial values in diamond drilling. The ore body was in a 100-ft. mineralized section being explored by the second drill hole. Good results were obtained by the first drill hole and a third is now starting.

World's Greatest Cable

Direct to Continental Europe

The Commercial Cable Company has this week placed in direct operation between Canso, Nova Scotia, and Paris, France, the world's greatest cable, to link more closely the thought and sentiment and the business activity of the two hemispheres by the fastest cable service ever rendered. This is the Commercial Cable Company's second direct circuit to France and its sixth between America and Europe.

At Paris direct connection is made with all of France and other points in Continental Europe. On the North American end the cable connects with The Mackay Companies' land line telegraph system for the United States and with the All America Cables for Central and South America.

By exclusive arrangement with the CANADIAN PACIFIC RAILWAY TELEGRAPHS this great cable and all other communication facilities of The Mackay System are placed at the service of Canadians and their correspondents.

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In every Canadian home—no matter how palatial or humble—in every hotel and restaurant, China Tableware is in daily use.

What a Market!

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NOTICE IS HEREBY GIVEN that a Dividend of THREE PER CENT. for the current quarter, being at the rate of

TWELVE PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation has been declared and that the same will be payable

WEDNESDAY, THE SECOND DAY OF JANUARY,

next, to Shareholders of record at the close of business on the Fifteenth day of December.

By order of the Board,
WALTER F. WATKINS, Secretary.

Toronto, November 21st, 1923.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street, Toronto — Established 1855

Pulp and Paper Securities

SUGGEST EMBARGO AS CLUB TO GET FREE U.S. MARKET

Book Paper Makers of Canada Want American Tariffs Levelled

From Our Own Correspondent.

MONTREAL.—It becomes more apparent that Canadian book paper manufacturers are considering the possibility of using the proposed embargo on pulpwood shipments to the United States as a weapon to secure free entry of Canadian paper to the States. This phase of the subject was suggested by the Canadian Pulp and Paper Association in its secretary's able address to the pulpwood commission at Ottawa and was referred to by the president of the association in an address in Toronto the other day. Last spring the book paper makers tried to enlist the aid of United States magazine publishers in getting United States duties on such paper removed.

The president, H. F. E. Kent, pointed out that while Canada now allows unmanufactured pulpwood to be exported to the United States, where it is utilized to compete with Canadian paper manufacturers in the world's markets, the American market is absolutely closed to Canada by the existence of a prohibitive tariff.

Of course, Canadian newsprint and wood pulp go into the United States free, but so do the newsprint and wood pulp from many foreign countries. Free entry is accorded on account of the fact that the United States is unable to supply its own requirements. On all other grades of paper, such as wrapping, book and fine paper, boards, etc., the American duty ranges from 20 to 35 per cent. and acts as a complete barrier to exports from this country.

What Canada Should Get

Mr. Kent says:

Certainly, the Canadian government, if it is going to permit the continued unrestricted exploitation of Canada's pulpwood resources for the benefit of the American paper manufacturers, ought to require as a "quid pro quo" the opening of the American market to the free entry of all finished commodities derived from pulpwood. Such a solution of the difficulty would be of advantage to Canada, even though it would be without effect as a measure of forest conservation.

If the United States were to let down the bars on all American papers there would undoubtedly be a sharp increase in the amount of capital invested in the industry in Canada. American companies would build mills in Canada to be near the source of material, say paper men. This has happened in the case of newsprint production.

But failing the success of negotiations for the levelling of the United States tariff wall on Canadian papers —other than newsprint—there is no doubt that the largest part of the Canadian paper industry is for the embargo. The pulp and paper association has issued a booklet, on the subject, which is an amplification of Edward Beck's address at Ottawa. A significant passage reads:

"Timber can be cut and exported from Canada with practically no capital investment whatever, except the original price of the limit; but the timber now exported from Canada would, if kept in Canada until manufactured and then exported, bring about (and amply remunerate) a capital investment in this country amounting to $150,000,000. It is sufficient to keep 33 pulp and paper mills, each producing 100 tons a day, in operation throughout the year and to give employment to 8,250 operatives earning $11,140,-500 in wages. If these mills could all be erected in a single municipality, they and the subsidiary trades and industries which would be needed in connection with them would alone constitute a city larger than any in Canada except Montreal, Toronto, Winnipeg and Vancouver. These figures are not cited with a view to arguing that the mere influx of capital into Canada would be beneficial, for such an argument would be entirely outside of the scope of this statement, having nothing whatever to do with the conservation of pulpwood. The point is this: that every owner of a pulp and paper mill in Canada, representing as it does an immense permanent investment of capital, the productive power of which depends on a continued supply of pulpwood, is a factor working strongly for conservation, whereas every owner of timber lands who exports unmanufactured wood is interested in the present alone and can be relied upon to strip his land in five years if the price is high and the net return on a policy of conservation threatens to be low or too long deferred. Logging, separated from the subsequent processes, is purely and simply an exhaustive industry, and has proved itself such all over this country for a hundred years; but logging, plus the costly manufacturing industries of pulp and paper, is a permanent and highly conservative industry, with the highest incentive to crop and replenish the soil and enlarge, rather than diminish, the supply of raw materials."

After Higher Tariffs Also

There is plenty of evidence, too, that the paper companies intend to fight for higher tariffs in Canada. Mr. Kent, the other day, emphasized this when he asked the Canadian Manufacturers' Association to back him up in his demands for higher tariffs.

Investors are greatly interested in the direction finally to be taken. Free entry of Canadian paper to the States would greatly increase the market of such mills as Wayagamack, Dryden, Provincial, Howard Smith, etc. Further protection for the Canadian industry might have some effect in strengthening their position, although whether or not this would be at too great expense and at the cost of consumers of paper is a question that would have to be decided.

PULP AND PAPER SUMMARY

Practically without exception the pulp and paper stocks are selling below the high level of the year. This applies even to Spanish River, which has had a good move recently, based on rumors of a stock split up, and more soundly based on the company's excellent earnings. The newsprint stocks have all held their own very well, as a reference to the stock table on page 5 will indicate. Wayagamack, in the wrapping paper business, is well below the high level for the year although earnings are known to be much better than a year ago, and Howard Smith, in the fine paper industry, is also well down. But the president of the pulp and paper association, is quoted as saying that outside of newsprint and pulp, the paper industry is not in a prosperous condition.

NO TARIFF LIKELY ON OUR NEWSPRINT

Strong Reasons Why United States is Not Apt to Heed Demand

From Our Own Correspondent.

MONTREAL. — Renewed requests in the United States for a tariff on Canadian newsprint might cause concern to investors in Canadian paper stocks if there were any substantial possibility of the demands of the American paper manufacturers getting a sympathetic hearing. But there are two definite reasons advanced to indicate why there is unlikely to be any tariff on the Canadian product. The first is that the consumers of newsprint are the publishers of the big American daily and Sunday newspapers. These papers have a daily circulation of 30,000,000 about 12,000,000 to 14,000,000 copies of which are printed on Canadian newsprint. The Sunday newspapers have a circulation of 20,000,000 copies, and about the same proportion is printed on Canadian paper. The American newspapers are dependent on the Canadian product. A tariff would undoubtedly raise their paper costs and this they will not sit back and accept without protest. It is doubtful if any political party would hazard the displeasure of the publishers of the opinion-forming newspapers of the country by proposing a tariff that would add millions of dollars a year to their production costs. A second good reason is that there is an investment of many millions of American dollars in Canadian paper mills. A large part of this money has been invested by influential financial men of the United States whose power politically is very great. Strong influence would be brought to bear at Washington were a tariff seriously fought for. And in this connection it must not be forgotten that many of the largest Canadian mills are owned and operated by American individuals or companies that are in the newsprint business in the United States. For the International Paper interests the Backus interests, the Union Bag and Paper interests, or similar groups to rouse up interest for a tariff to protect their American mills at the expense of their Canadian mills does not sound like a reasonable possibility.

European Newsprint Coming

The demand for the tariff has grown as a result of European imports of newsprint into the United States. A New York publication discusses this phase of the question as follows:

"European countries in the first nine months of 1923, exported 155,633 tons of newsprint to the United States. In the whole of 1922, we received only 132,888 tons.

"American newsprint manufacturers are beginning to take alarm at this sharp increase, especially in view of the steady annual growth of Canadian production and shipments to this country. With Canadian newsprint output 19 per cent. greater than 1922, and shipments to the United States more than correspondingly higher, American manufacturers consider Canada a menace to their industry. Larger European imports, which had been expected to fall off this year, is another thorn in their sides. Consequently the agitation for a protective tariff on newsprint has grown.

"Imports from all European countries have been greater during the first three-quarters of this year than during the entire year of 1922, with the exception of Sweden."

RIORDON

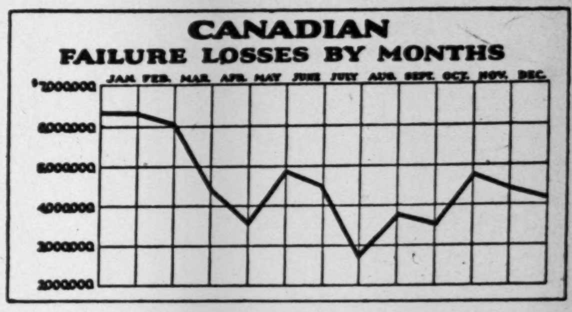
Intention of the Riordon Co. to proceed with a power development at Chelsea, on the Gatineau river, is seen in a notice in the Quebec Official Gazette that the Gatineau Co., a subsidiary of Riordon, intends to apply for authorization to have constructed a hydro-electric power house, dam and head-works at Chelsea.

ABITIBI

L. R. Wilson, the newly named general manager of the Abitibi Power and Paper Co., has made arrangements for a turkey to be delivered at Christmas to every employee of the Abitibi Co., whether in the mill, woods, merchandising, townsite, forestry or transportation departments, and who is a householder living in Iroquois Falls, the Wye, or Little Canada.

American Gold for German Paper Marks

CHICAGO.—It has been estimated that about one million dollars of good American gold has been reduced to about seventy cents' worth of German paper in the past five years. The German government has been able to buy food cheaply, to keep employment going, to help ward off Bolshevism through mark inflation, but actually has no money laid by. Those to benefit appear to have been two elements, the big industrialists who paid starvation paper wages and turned their profits into dollars, and the hundreds of thousands of "smugglers" who have sent their money abroad. This has been done on a big scale, and constitutes probably the world's greatest swindle. It is estimated that the equivalent of thirty billion gold marks, $7,500,000,000, mostly in cash and certain other valuables, have been smuggled into foreign countries, or kept there when the money was due in exchange for goods in 1918.



What Month Do Most of *Your* Customers Fail?

In this interesting chart, which shows the failure losses of Canada for a typical year, January is highest, and July lowest. But the following year just the reverse might be true. And the year after that still a different result. In fact, such is the actual history of commercial failures.

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Make Your Plans Secure

Why not provide, as many parents are now doing, that "no matter what may happen" your boy or girl will have the advantage of a good start in life?

In these times they need training and the help you can give as never before.

See what the Canada Life can do with the new

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It will provide immediately if you should die, an educational fund, to be held in trust at interest for your child's training.

This fund cannot be touched by the child until the date set by you has been reached.

It will then be paid in eight separate payments, to cover the four vital years of training.

If you should live, the cash value of the contract, with dividends, will be available at any time to carry out any of your plans.

Nothing could be more simple—the funds provided—your plans made definite and secure—whether you live or die.

You have probably thought this matter over many times. Here is a chance to do something—tangible, immediate, yet quite easy.

Why not find out now what the educational policy will do for your child? This will not put you under any obligation.

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Canada Life Assurance Company, Toronto
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MINING NEWS FOR THE INVESTOR

AVERAGE GRADE OF HOLLINGER ORE IS NOW AT OLD LEVEL

General Manager Brigham Throws Interesting Light on Expansion Plans

"In handling 5,000 tons daily you have got to keep things moving. There was some low grades that we had to get out of the way. It was too good to throw away."

THE FINANCIAL POST is informed by General Manager A. H. Brigham, of Hollinger mines, that this explains the recent low average recovery per ton of the mine. Many took fright when the values were shown around six or seven dollars. Mr. Brigham says the millheads are now back to Hollinger standard.

Developments are expanding rapidly. The payroll is now 2,600 men. The force is steadily being added to. The underground machines are increasing. Recently the breaking of ore was increased 100 tons. Ore reserves are being added to rapidly. Of the 4,700 tons handled daily now, only 2,200 tons are going through the old stamps, the balance being handled by the ball and new rod mills. When two more rod mills are ready, all the stamps will be eliminated. This will make for higher efficiency, as the rod mills run 98 per cent. of the time compared with 90 per cent. by stamps. When all the new rod mills are installed, Hollinger will really have half of its mill shut down, as it is not intended to jump the output to 7,500 tons until the new power plant is ready. Mr. Brigham says that the progress on the power development is quite satisfactory to the contractor. He admits that no matter how fast the progress was on this task it would just be a little slow for him.

New Plans of Canadian Kirkland are Approved

Shareholders of Canadian Kirkland met this week and approved plans for re-financing. Pres. T. Tough has sent out notices to the shareholders calling attention to the position of the property and giving the reasons why he has decided to carry on the financing plans with the aid of the shareholders instead of approaching a new group. In this regard he says:

"I have spent all of my time lately and a considerable amount of my money in endeavoring to make a satisfactory arrangement with large interests, but in every case they want to deal on a basis which I consider not a fair proposition for the shareholders. I have come to the conclusion that the best way is to continue along the same lines as those on which we started. In nearly all cases, it is the co-operation of the small shareholders that makes the mine."

Recently Canadian Kirkland acquired an excellent property from Fidelity for a stock interest. On the former property $125,000 has been spent on development and on the Fidelity holding an equal amount. The president believes that $50,000 should be spent on the Canadian and $100,000 on the Fidelity.

The financing plans are to be by collateral trust note, details of which are yet to be announced.

LEBEL-ORO DEVELOPMENT

Developments on the Lebel-Oro are satisfactory. It is officially announced that the vein has opened up for 100 feet on the 200 level and is strong in both faces. Drifting east on the vein continued improvement in both width and values.

DOME NOVEMBER OUTPUT

Dome Mines in November earned $381,540, with millheads running just above $10. Costs run slightly over $4 or at the rate of $5,000 for the daily tonnage of 1,250.

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when one purchases only such securities as he knows to be selling below their true worth.
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Special Influences Effect Mine Shares

The mining market during the week has been firm but quiet. Christmas selling has not developed to any degree with the result that prices are standing up well. There is little public participation, however, and brokers say there will hardly be any to speak of until after the holiday season passes.

Clifton provided the bulk of the trading when it broke badly on adverse reports as to its future. Practically all the big golds have held firm. Dome has been standing with a bid over $20 but trouble in selling at that figure has been experienced. Hollinger stands unchanged while McIntyre continued to flurry on prospects of expansion news, the market is thus discounting something a long way off. Many wonder why Consolidated Dome continues weak. It is believed that there has been some market interference holding the issue down. The underwriters of the treasury stock, Buffalo residents, are reported to be holding their stock. Crown Reserve is strong. Rumors in some parts are that treasury shares to provide funds for the erection of a mill are being disposed of through the market. Since November 15, 406,000 shares have been traded in on the Standard Exchange while the price has moved up from 57 to 71. Vipond had a flurry when a 30,000-share order from England entered the market. Advance news on the mine's ore reserves doubtless was responsible.

The silvers have been quite strong with Castle leading.

There has been heavy buying of substantial blocks of this stock.

Night Hawk's mill started and trading in this issue in unlisted security sections caused the price to firm around 95c to $1.

Vipond's Average Per Ton is Much Higher

Is Vipond ore now running around $26.55? This conclusion is more or less justified by the recent report issued as to the ore reserves of the mine. The figures were compared with the July 15 estimates and are as follows:

			Ton
Nov. 15	256,981	$2,619,597	10.19
July 15	210,885	1,396,108	6.62
Increase	46,096	$1,223,489	$26.55

It may not be that this is a true condition. It may be that in the time which elapsed between July and November the company learned considerably more about the ore then in reserve. However, it is an interesting speculation. There are many in touch with the mine who will say that the average of $26.55 is not any more above what they believe to be the true average of the mine value than the $10.19 is below the true average. In other words, they consider the company statement ultra conservative.

RE-SAMPLING OLD FOLEY

British Canadian Mines Have Optioned Stock in England

British Canadian Mines have completed de-watering Foley mine at Mine Centre, west of Port Arthur. About 30 men are employed. The centre of interest for the present is on the awaited result of a re-sampling of the mine just completed by Manager Carnegie. Though there is a good tonnage of broken and blocked out ore on hand, having been left there three years ago by the old operators, it is the intention to do considerable development before going ahead with mill plans. Further financing is to be done in England, an option on a substantial block of stock having been given at a price to net the company 60 cents. The treasury will still be a substantial one.

The old Foley is well regarded in the west. It has been the subject of many highly favorable engineering reports. The activity of the company has aroused a new interest in this section with the result that resurveys and re-mapping of the areas have been decided on by the federal and provincial departments.

CLIFTON TO DRILL

Property Will Not Be Sold—Are Looking at the St. Anthony

A wild story that Clifton Porcupine was to close and that Paymaster would likely take it over, broke the stock down to six cents during the week. Clifton is not selling. It will run off the present broken ore and halt the mill. The plan is to diamond drill a section of the property which geologically is of considerable promise. A. C. Fuller, Paymaster manager, says he never thought of taking over Clifton. The company has $30,000 cash in the bank and its plant is worth about $50,000. The St. Anthony in Rainy River is being dewatered by Clifton and will be sampled.

ANOTHER INDIAN LISTING

Indian mine shares are shortly to be called for trading on New York curb. This will complete a chain of markets for the shares which will provide it with the broadest opportunity of any of the current mining undertakings. For some time past Indian shares have been traded in on the unlisted section of the Montreal Stock Exchange, the Montreal Mining Exchange, the Standard Mining Exchange, Toronto, the unlisted section of the Toronto Stock Exchange and the Vancouver Stock Exchange. This will have a tendency to create greater interest in the British Columbia mining field which was first brought into prominence by the richness of the Premier mine which adjoins the Indian.

ARGONAUT IN NOVEMBER

Gold production of Argonaut was $30,000 last month. Plant difficulties held production down. The average recovery per ton was around $15.

C. W. DOME ABOUT TO PLAN ITS MILL

Development on Property Coming Along Well—Funds Are Ample

Consolidated West Dome will likely have enough ore ready by March to start the mill. In the very near future, Supt. W. Dowcett of Dome Mines will go over the West Dome mill with a view to putting it in shape.

Developments are progressing rapidly underground. It is officially stated to THE FINANCIAL POST that the vein on the 6th level is widening out. When first opened up, it showed a width of 15 inches, with $46.40 values. It now averages $14.40 over a stoping width. On the 7th it is standing up well, a width of 7 feet giving $12.50 to $13. Work on the 5th consists of running a crosscut to the West Dome boundary. The area being opened is well mineralized. The shaft is now down 100 feet and is being carried at the rate of 5 feet daily to the 1,000-ft. level. There are three shifts at work. Consolidated West Dome is well financed. The syndicate of Buffalo business men who optioned a large block of stock is four months ahead of commitments. There is still $150,000 to be paid, which will be ample to finance the mine to production. The price netted the company is a substantial one.

B. C. Mines' 1923 Output Should Beat Old Record

British Columbia mineral production in 1923 will exceed the previous high record set in 1916, say coast mining authorities. Lead with its high price will lead in the increase column. Lode gold, silver, zinc and coal show an increase. Increase in gold is due to the greater production of copper, of which it is an important by-product. Silver may show a falling off. The price averaged about 2c. per oz. less than last year. Lead shows an increase in both quantity and price. Copper production has about doubled owing to the Britannia Mine re-opening. The price has averaged about a cent and a half over last year. Zinc is higher and price better. Coal shows an increase, the Crow's Nest Pass escaping labor troubles. Dividends will likely be lower.

IRON ORE ASSOCIATION

An iron ore association of the Twin Cities to advance the movement for a bounty on iron ore has been formed at Port Arthur and Fort William. President, F. S. Wiley; vice-president, W. A. Dowler, K.C.; secretary, J. E. Marks; treasurer, P. H. B. Dawson; executive, N. M. Patterson, George Graham, J. T. Horne, Bruce L. Morrison, L. J. B. Bolduc and I. L. Matthews.

NIPISSING'S OUTPUT

Nipissing produced $185,414 in November and shipped $297,461 in bullion. October output was $175,000.

SILVER PRICES HIGHER

Silver has firmed steadily to 65⅛ New York. Adding 2 per cent. premium on U. S. funds, Canadian silver producers are now getting 66½ cents.

China has been the dominating factor. Considerable purchases have been made in London for early shipment. These consignments will reinforce the large shipments from San Francisco and elsewhere. China sales have been made of silver for forward delivery. The Indian Bazaars have both bought and sold and there has been some bear covering. Austria has decided to use silver coins and will call them kronen.

SILVER AND OTHER METALS

London December	8	10	11	12
(pence)	33 1/16	33 3/16	33 1/16	33 7/16
New York	64¼	64½	64½	65¼
Copper	13¼	—	13⅛	13⅛
Tin	47.75	——	46.25	46.25
Lead	7.25	——	7.50	7.60
Zinc	6.25	——	6.25	6.25

Mining Stock Quotations

Week Ending December 11.

	High	Low	Close	Close Dec. 4
Apex	2¼	2¼	2¼	2⅜
Algonquin	3½	1½	1½	2½
Argonaut	63	60	62	61½
Baldwin	6	5½	5½	5¾
Beatty	7	6¾	6¾	6⅞
Beaver	25	23¼	23¼	25
Bidgood	7¾	6⅞	7⅝	7⅜
Atlas	4⅝	4¼	4¼	4½
Buckingham	4	3⅞	4	4
Castle Treth.	51	42	50½	41½
Beatty Rts.	4⅝	4	4⅛	4⅝
Coniagas	2.43	2.25	2.37	2.25
Cons. Smelters	28	27¼	27½	28
Cons. W. D.	26½	25½	26	26½
Clifton	11	6	6⅛	11
Col. Kirkland	9	8½	8½	10
Cr. Reserve	71	68½	70	68
Dome Mines	20.25	19.75	19.80	20.00
Indian	84	80	83½	80
Gold Reef	1¾	1¾	1¾	1¾
Goldale	51	49½	50½	49
Hattie	12	10¾	10¾	11½
Hillcrest, com.	68	67	68	60
Hollinger	11.55	11.40	11.50	11.50
Hunton	7	7	7	7¾
Inspiration	7	7	7	9
Keora	8	7	7	8¼
Keeley	1.88	1.80	1.81	1.85
Lebel Oro	30	28½	28½	30
Kirk. Lake	30½	29	30½	31
La Rose	21	20	20	21
Lake Shore	3.47	3.30	3.37	3.44
Lorrain	14¼	13½	13½	14
Montreal, Ont.	25	15	15	23
Lorrain T.	1.15	1.15	1.15	1.13
McIntyre	18.80	18.00	18.74	18.10
McKinley Darr.	13¾	13	13	13¼
Mining Corp.	3.17	3.05	3.08	3.05
Moneta	22	17	21½	18
Newray	41	40¼	41	41
Nipissing	6.75	6.49	6.75	6.50
Ophir	2⅞	2¼	2¼	3
Pete. Lake	11⅛	10¼	10¼	11¼
Porc. Crown	9	8½	8½	8¼
Porc. Tisdale	1¼	1	1¼	1¼
Preston	12½	12¼	12¼	12⅜
Silver Leaf	¾	¾	¾	3¼
Teck Hughes	1.20	1.16	1.19	1.16
Timiskaming	32¼	31	32¼	32¼
Thomp. Krist	4¼	4¼	4¼	4⅞
Trethewey	8⅝	5½	8½	5⅞
Tough Oakes	70	68	68	70¼
Vickers	32¾	32	32¼	32¼
Vipond Cons.	97	92	94¼	91¼
Wakenda	3⅝	3¼	3¼	3¼
Wasapika	4	3¾	3¾	3⅞
West Tree	6¼	6	6	6
Wettlaufer	13¼	12	12	14
Wright Harg.	3.20	3.10	3.15	3.10
NEW YORK PRICES—				
Inter. Nickel, common	12⅞	11⅜	12¾	11⅝
preferred	80½	79	80	80

"Timely Talks on Mining"
By Irving J. Isbell
TALK NUMBER SIXTEEN

Never before in my experience in mining have I seen so many big mining syndicates and companies seize on a comparatively new district as they have in Rouyn gold fields of Quebec. As you know, there are a number of very promising gold camps in Ontario which have been opened up and explored to a certain extent and which offer genuine possibilities, yet the big companies of Porcupine and Cobalt have shown a marked preference for Rouyn. When the new maps of this district are made, they will show that thousands of acres are held by the big companies.

Just a few days ago the daily press carried an account of an option having been taken by Coniagas on a group of claims adjoining the Rouyn Gold Mines. Hollinger interests have been looking over another group in the vicinity also and a deal may result. McIntyre and Dome are also reported to have some property in Rouyn, while Nipissing is working on the claims on which the original discovery was made.

Besides these, several of the largest exploration companies and syndicates are in Rouyn. I am glad to see the big companies taking an active interest in this camp because it means that Rouyn will have the benefit of the best mining brains and experience in the country, and with large capital to carry on the necessary development work, progress should be much more rapid than was the case even in Porcupine.

The development of Porcupine was a great adventure, for up to that time no big gold camp had ever been seen in Ontario, and not only were public investors skeptical of the results, but even among mining men its chances were considered slim. On this account it was "a hard row to hoe" for those courageous men who would not listen to the "knockers" and persevered until success was won.

But Porcupine's success has opened people's eyes to the gold mining possibilities of the northland, and Rouyn, as well as other districts, is benefiting to the extent that capital has been attracted to this country from all parts of the world and the governments interested are doing everything in their power to make development easier. An instance of this is the fact that the Quebec Government is going to spend $200,000 in building a good road into Rouyn while there is talk of the Ontario Government extending a railroad line over the boundary.

Now it stands to reason that the Quebec Government did not decide to spend such a large sum of money before thoroughly investigating the possibilities of Rouyn gold fields, nor do big mining companies buy properties without thoroughly examining them, so that there must be real foundation for the reports coming from Rouyn of wonderful discoveries having been made.

I have talked to a lot of prospectors and mining men who have been in Rouyn and have seen for themselves the "finds" made, and without exception they tell me that Rouyn looks like the biggest gold camp since Porcupine was discovered, while some go farther and say that the showings are bigger and better than ever was the case in Porcupine or any other gold camp in Canada at the same stage of development.

I do know that on the Rouyn Gold Mines property there is a fault zone as long as the whole main "break" in Kirkland Lake—two miles—and that Manager Cooper has opened a dozen or more strong veins, some of which show free gold, in a section that is not more than 5 per cent. of the company's total holding of over 1,000 acres. And these splendid results have been obtained in four months' work.

I am convinced, therefore, that the diamond drill campaign planned for the winter months on this property will establish Rouyn Gold Mines in the big mine class and make the shares of this company much more valuable than the present market price of 25c to 26c. For this reason I recommend the purchase of Rouyn Gold Mines shares as a first class speculation.

Mr. Isbell's "Timely Talks On Mining" will continue for an indefinite period in this column. "Talk Number Seventeen" will appear in the issue of December 21st. We suggest that you have your name placed on our mailing list to receive a copy of "Timely Talks On Mining" each week without any charge or obligation of any kind.
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NEWS OF THE BANKS AND BANKING

INSPECTION BY GOVERNMENT AS BANKERS SEE IT

Some of the Difficulties of Administering the System

While government supervision or some measure of inspection of the banks may be warranted under prevailing conditions as a step in restoring public confidence, practical bankers see a danger that any attempt at detailed branch inspection would result in an ineffective, expensive, cumbersome, interfering machine which could not be effective and would at the same time put the public in a position of false security. The following views are expressed by a financial man who up to recently occupied an important post in one of the banks.—J. W. T.

The Merchants and Home Banks episodes have prompted a demand for government inspection of banks, but it may well be doubted whether due consideration of the subject has been given by those who divine a special virtue in that system. With what powers are the proposed inspectors to be clothed? "Unlimited powers," replies someone, "powers to examine books, accounts, cash and securities, and to appraise loans." Yes, to appraise loans, there's the rub; for will any reflecting person contend that officials of the Crown can assess the value of notes of hand which represent the commercial discounts of a bank with the same knowledge and accuracy as the trained banker familiar with the borrower and his business? There are upwards of 4,500 banks in Canada discounting commercial paper to the amount of $1,122,840,000. How many government inspectors will be required to investigate their affairs? Certainly an army of officials, only a small number of whom, in the very nature of things, can possess qualifications for efficient inspection. Government inspectors could count cash and verify securities in a certain number of the larger banks, but that proceeding would give little protection to the creditors of these institutions. The losses that cripple a bank do not occur through careless handling of specie or Dominion notes. Banks become insolvent by making bad loans, and unless a government inspector is also an experienced banker he may easily fail to discover a condition of danger which has become a menace to the institution. Can the Government secure for the Civil Service bankers possessing the necessary qualifications?

The Dominion Superintendent of Insurance can count the securities and verify the cash of an insurance company, but he cannot appraise the risks of the concern. That particular function, upon which the success or failure of the company depends, belongs to a trained professional man, namley, the doctor. And so with banks. A government inspector can perform certain duties in the examination of banks, but only an experienced banker can appraise the loans upon which the solvency of the bank absolutely depends.

Not for Britain

The futility of the plan has been proved. In Great Britain, where banking and finance have become a high art, there is no Government bank inspection, but in the United States the system exists. If this method of inspection provides adequate protection to creditors, bank failures should be unknown in that country. Are they? Look at the statistics. In 1919, there failed in the United States 50 banks; in 1920, 49 banks, and in 1921 no less than 358, including 28 national banks. In not one single year under Government inspection has there been an absence of bank failures in the United States, the panic of 1893 producing the great number of 642 insolvencies. The paradoxical thing is that the very people who cry out for Government inspection are equally insistent on a policy of liberal bank loans. They want more credit, and at the same time want a system which will tend to hinder the granting of credits. Surely it is obvious that if Government inspectors displayed care for consequences they would "play safe" and insist upon banks loaning upon none but gilt-edged paper, in which circumstance the farmer, the young merchant, the enterprising man of brains and character but lacking capital, would have a slim chance of obtaining the accommodation banks now readily grant.

Government bank inspection is not relied on in the country of its adoption. United States bankers in many large centres—to be more exact, thirty-one—realizing, after actual disaster had overtaken a number of banks in Chicago in 1905, that reliance cannot be placed upon Government inspection, turned to what is known as the Clearing House examiner system, under which all the banks, members of a given Clearing House, voluntarily agree to have their affairs gone into at least once every year by one examiner in whose judgment they place reliance. This examiner, after careful investigation of the affairs of a bank, points out to the directors of the institution what are, in his judgment, the assets which are carried at more than they should be in the bank's statement. It is then the duty of directors to take the necessary remedial steps. If the institution is, in his opinion, too far gone to retrieve itself, the examiner will inform the members of the Clearing House so that an opportunity may be given for taking such steps as may seem advisable. So much for the efficacy of Government inspection in the United States. What assurance is there that a bureau of Government officials in Canada would not prove equally ineffective?

Of all the proposed amendments to the Bank Act a system of government inspection will least stand the test of experience elsewhere and of common sense, and the plan is objectionable not from the standpoint of bankers and shareholders, but of depositors, who would inevitably be lulled into a false sense of security with a resultant demand upon the Government when disaster occurs.

License System Better Than Individual Stamps

Commercial and industrial concerns are finding that the system of payin, the excise tax on cheques under government license works out satisfactorily. The system involves some extra work, but as there is no necessity for carrying a large stock of stamps of different denominations, the extra work is regarded as worth while. "We feel satisfied that the license system is the most satisfactory method from every standpoint," says one manufacturer, who adds that "we do not want our cheques to look like German drafts."

In using the revenue stamp c cheque forms another manufacturer has adopted an auxiliary column in his disbursements book, in which the cashier enters opposite the cheques the amount of the revenue stamp, so that at the end of the month it simply requires a copy of information showing cheque number and amount of stamps. All cancelled cheques are handled by sending to the department of Inland Revenue the actual cancelled cheque or evidence of its cancellation, and the revenue stamp applicable to those cancelled cheques is deducted from the total. This company figures that this amount of detail is not nearly so much as is actually involved in affixing the stamp to the individual cheque, and it avoids having quantities of loose stamps around.

Four Branches Opened and Twenty-one Closed

The Canadian chartered banks report a net loss of seventeen branches during the month of November. The banks opened only four new branches and closed twenty-one. Following is a list of the branches opened and closed:

OPENED

Nova Scotia.—Santiago de Cuba, Cuba.
Provinciale.—Proulxville, Champlain County, Que.; St. Modeste, Que.
Royal.—Arnprior, Ont.

Closed

Commerce.—Roxton Falls, Que.; Kensington, P.E.I.; Esquimalt, B.C.; West Summerland, B.C.
Molsons.—Ontario (2).
Montreal.—Allenford; Fullarton (sub to Mitchell); Kent Bridge, Ont.; Valparaiso; Leney, Sask.
Nationale.—St. Severin, Beauce, Que.; Dunham, Que.
Nova Scotia.—Bedeque, P.E.I.; Sharbot Lake, Ont.; Souris, P.E.I.
Union.—Westport, Ont.; Carroll (sub-agency); Rosebank, (sub-agency); Ellice Ave., Winnipeg; Swalwell, Alta.

Staff Gossip

Grant Hibbert, who has been stationed at Glencoe in the Bank of Montreal, has been transferred to the Mount Forest office.—The Telescope, Walkerton.

* * *

W. E. Hetherington, who has been manager of the Canadian Bank of Commerce at Marbleton for the past eight years, has left for Dunham, Que.—The Record, Sherbrooke.

* * *

Max Watters, who has for the past four years been on the staff of the Bank of Montreal here, has received a well merited promotion and is being transferred to the New Toronto branch of that bank.—The Herald, Campbellford.

* * *

H. P. Marshall, who has been on the ledger in the Bank of Hamilton here for the past nine months, has left for Toronto to join the staff of the King and Bay street branch of the Bank of Toronto, as teller.—The Times, Port Elgin.

* * *

A hearty and sincere tribute to the worth of J. H. Hurlburt, manager of the Union Bank of Canada, Moncton, for the past 4½ years was paid recently when he was the guest at a banquet held in the Subway Hall, Moncton, which was attended by citizens in all walks of life.—The Gazette, Pictou.

* * *

James Batstone, who has been on the staff of the local branch of the Union Bank, is leaving to take a position in the thriving town of Walkerville. J. M. Brewis, who arrived recently from England, is filling the vacancy on the local bank staff caused by Mr. Batstone's removal.

* * *

G. C. Temple, of New Liskeard, has been appointed temporary manager of the Union Bank here.—The Register, Norwood.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	Dec. 6, 1923	Change	%
Montreal	$128,630,834—	$ 1,535,359	1.2
Toronto	112,682,757—	21,281,153	15.9
Ottawa	8,577,214—	2,863,644	25.0
Hamilton	6,570,538—	147,169	2.2
London	3,391,262—	93,550	2.7
Halifax	3,353,794—	1,099,503	24.7
Windsor	2,959,154—	559,495	15.9
St. John	2,747,044—	452,849	14.1
Brantford	1,384,523+	108,103	8.5
Kitchener	1,098,817—	156,201	12.4
Moncton	1,033,653—	277,461	21.1
Sherbrooke	913,814+	4,496	.5
Peterboro'	900,205—	10,685	1.2
Total East	$274,243,612—	$28,864,320	9.4

WESTERN CITIES

	Dec. 6, 1923	Change	%
Winnipeg	$ 97,463,161+	$11,135,593	12.9
Calgary	9,226,058+	1,829,237	24.7
Edmonton	5,658,802+	208,353	3.8
Saskatoon	2,778,685+	648,870	30.4
Moose Jaw	1,930,432—	25,899	1.8
Fort William	1,667,176+	416,321	33.3
Brandon	778,720—	77,188	9.0
Prince Albert	509,785+	29,863	6.2
Medicine Hat	503,703+	2,685	.5
Total, West	$120,516,022+	$14,167,790	18.8
Grand Total	$394,759,634—	$14,196,530	3.7

BRANCH BANKING BRINGS BENEFITS TO THE FARMERS

More Money at Lower Rates is the Result in California

That the development of branch banks in the United States is giving the farmer direct and immediate access to the support of large banking institutions which better care for his needs, is the opinion expressed by J. W. Sartori, president of the Security Trust and Savings Bank, Los Angeles, California. He points out that in the matter of loans for purposes of planting, harvesting, and marketing the crop, the branch bank is in a far better position to grant accommodation than is the local bank. The great strength of the branch bank, its diversified field of operation, and character of business, enable it to keep more liquid, and, in case of need, carry the farmer through a bad crop season to another year. The local bank has far too often been unable to do this, with the result that the farmer has been sold out.

There is another consideration advanced by Mr. Sartori, and that is the fact that the failure of a crop in an agricultural community, depending mainly upon one crop, often seriously cripples, if it does not destroy, a local bank, whereas such a condition produces a negligible result for a branch bank where branches are scattered throughout many agricultural districts with many different crops. The failure of one crop in one district fails to affect in any material way the operations of the branch bank. It can and does draw upon the funds of the whole institution.

It has been advanced as an argument against branch banking that the local manager will be restricted in the loans he can make, that the head office will be unsympathetic to local needs, and that local funds will be drawn away from the community in which they originate, and employed elsewhere.

Mr. Sartori submits, however, that one of the principal merits of branch banking is that it can easily and efficiently shift the surplus funds of one community to meet the excess demands of another. Banking resources are thereby made more mobile, and this in itself is a great advantage. It does not follow, however, that the legitimate demands of any community will ever be curtailed for the sake of another. It is sometimes said that the country will be drained for the benefit of the city. This hardly seems reasonable when it is recalled that surplus funds will accumulate in the cities and are constantly seeking an outlet. The country banks would be in very hard straits if they could not secure help from their city correspondents. The competition between branches of different banks and between local banks will always serve to protect the community against discrimination.

One of the complaints most loudly voiced by the farmer is against the high interest rates he is compelled to pay. Branch banking, Mr. Sartori argues, through the greater mobility of the banking resources and the competition of branches, will tend to bring about an equalization of rates between the city and the country. In California the branch bank movement has been accompanied by a lowering of the interest rates. Naturally local bankers objected strenuously to a lessening of profits by such competition, but the borrowers have never been heard to complain..—J. W. T.

Exchange

Dealing with the recent decline in British and French exchange in New York, the Royal Bank December letter says:

Undoubtedly both economic and political factors have entered the situation. Such a decline would naturally be facilitated by the fact that the period concerned is the one in which Britain makes arangements for heavy purchases of American cotton, Canadian wheat and so on, and these purchases react against sterling. There is a possibility also that the government was collecting dollar exchange pending its December payment to the United States on debt account. Furthermore, the general uncertainty which existed in Europe caused a transfer of foreign balances to the United States. The threatened severance of the triple entente led to serious uncertainty with regard to the future, and this undoubtedly reacted unfavorably on the exchanges. One of the factors in the British election discussion which carried no weight in London, but possibly had some influence abroad, was the 'capital levy' plank in the Labor platform.

The reactions which occurred in the above mentioned exchanges are not apparently the result of any fundamental change in the economic situation of these countries, but are due to current conditions. A study of the statistics of the circulation of the countries concerned, immediately dispels any fears which might exist that the governments concerned are resorting to inflation of the currency, as was the case in most of the Central European countries.

NEW YORK FUNDS

	High	Low	Last year High	Last year Low
Dec. 6	2 5-32	2 1-8	1-32	1-64
Dec. 7	2 5-32	2 1-8	3-64	1-32
Dec. 9	2 11-32	2 7-32	3-32	1-16
Dec. 10	2 5-8	2 7-16	1-4	1-8
Dec. 11	2 5-8	2 9-16	11-16	5-16
Dec. 12	2 11-16	2 5-8	21-32	9-16

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Dec. 6	4.38⅞	5.42	4.35
Dec. 7	4.35⅞	5.32	4.33
Dec. 9	4.35⅞	5.33	4.33
Dec. 10	4.36½	5.33½	4.34
Dec. 11	4.38¾	5.38¼	4.37
Dec. 12	4.37¼	5.31	4.34½

Methods of Foreign Trade Subject at Extension Course

The following details regarding the second extension course in export trade to be held at the University of Toronto, commencing January 21, 1924, are given in the current issue of the Commercial Intelligence Journal.

The academic portion of the course will more or less be the same as last year; that is, there will be lectures on the principles of international trade by Profesor McIvor; on economic geography by Dr. H. A. Innes; on transportation by Professor W. T. Jackman, and on trade currents and cycles by Professor E. Jackson. In addition, lectures will be given on practical subjects, among which may be mentioned lectures on Canadian trade problems in Japan and the West Indies, representation, the development of Canada's exports through indent houses, and packing for export, by officials of the Commercial Intelligence Service. The practical subjects also include documentation, by Thomas Morton, sales manager, Western Canada Flour Mills; marine insurance, by Mr. Tucker, of Dale & Company; foreign exchange, by H. F. Lucas, manager foreign department, Union Bank; financing foreign shipments, H. V. F. Jones, assistant general manager, Canadian Bank of Commerce; experiences of Canadian firms in opening up foreign markets, by Charles L. Wisnor, assistant general manager, Massey-Harris Co.; experiences of Canadian firms in opening up foreign markets, by Wallace Near of Page-Hersey Co.; business ideals, by Mr. Glazebrook of Glazebrook & Cronyn; correspondence in its relation to foreign trade, by B. B. Halladay, sales manager, Canada Cycle and Motor Co.

Home Bank Depositors Appoint Representatives

G. T. Clarkson and I. E. Weldon have been selected as permanent liquidators of the Home Bank by the depositors. Eleven inspectors have been appointed as follows:

A. G. Browning, K.C., Hamilton, representing the Government of Alberta; J. A. Buchner, London; A. B. Campbell, Toronto; E. A. Cleary, Windsor; G. G. Henderson, Mayor of Fernie; W. T. Kernahan, Toronto; J. H. Mitchell, Mayor of Alliston; John O'Reilly, Lindsay; Edgar C. Sanders, St. Thomas; H. Weinfield, Montreal, and Fred Martin, Sintaluta, Sask.

WINNIPEG WAR MEMORIAL

A bronze statue in memory of employees of the Bank of Montreal who fought and fell in the Great War has been unveiled in the Winnipeg office. From the Bank of Montreal went 1,409 men, of whom 230 did not return. Western Canada sent 506 men and Winnipeg 53. Winnipeg men who did not return were, Sydney Harris, Fred A. C. Wilcox, William Arnold Cameron, C. R. Barrett, George Bryan, Edward Silver, John McHaffie and Gordon C. Wallace. The statue was unveiled by A. F. B. MacGachen, joint manager of the Winnipeg branch.

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The Union Bank of Canada announces that its Outlook branch will be closed after Dec. 15, all local business being transferred to the Bank of Montreal. The reason for this change is that the surrounding districts are well supplied with banks.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, DECEMBER 14, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

PROTECTING THE PUBLIC

THERE are sinister hints that the rottenness revealed in connection with the affairs of the Home Bank is not confined to that institution but is general in big financial and business corporations. It is really astonishing how many people are willing to accept the cynical view that the only difference between the Home Bank and some of the other banks is that in one case the truth has come out. It is a disquieting situation for big business and finance, which are founded on public confidence.

Ninety-nine out of one hundred people are honest in intention and in practice. And ninety-nine out of the hundred businesses, big or small, are likewise honestly conducted. That is the fundamental principle of our highly complex social organization—our justified confidence in each other.

But, just as it is necessary to maintain police protection to guard against the one per cent. of individuals who cannot be trusted, so has the government a duty to perform in providing safeguards where possible against the one per cent. of corporations which cannot be trusted.

There should be no attempt to gloss over the Home Bank affair. The whole sordid truth should be brought out. And those responsible should be held liable under the law. If the revelations indicate that additional government safeguards could have prevented losses or fixed responsibility, there are certain to be demands on Ottawa for action. The danger is that, under pressure of public opinion, the government may pass regulations which will not only impede the transaction of business but will give the public a false idea of security and involve useless expense, just as the appointment of large numbers of policemen and passage of further laws to guard the public against criminals might restrict the liberties of the majority, waste money and create a false confidence which in the long run would be anything but beneficial to the community.

THE FUTURE OF ONTARIO'S BANKS

IN sizing up the Ontario provincial savings bank as a business proposition the Ferguson government is handicapped by influences created by the failure of the Home Bank and other developments in the banking situation. No government can afford to ignore public opinion and it would be very doubtful political policy to close up the savings offices at the present time.

But it should be remembered that the project was the scheme of U. F. O. politicians to get funds for rural credits and it was put into force despite the judgment of Premier Drury and the sounder heads in the government. They realized that making loans to farmers who could not get credit from the banks or the loan companies was a dangerous business for any government. And at the present time the government is getting more money than can be used for the purposes for which the scheme was inaugurated. Of the $15,000,000 on deposit about $4,500,000 has been used for rural credits and the remainder is either on deposit in the banks or has been used for ordinary provincial purposes.

Other provinces have found that it is exceedingly dangerous to lend money to borrowers of doubtful standing. The Ferguson government has evidently decided to go carefully in making such loans. But in using the deposits for other purposes the only argument for the inauguration of the scheme is disposed of. Mr. Ferguson and his associates no doubt appreciate that it is most unfair to the banks, which contribute heavily to provincial revenues, to pay 4 per cent. for deposits as opposed to the current rate of 3 per cent., and that it is not good business to put these funds costing 4 per cent. in the banks at 3 per cent. Further it is doubtful if money on demand at 4 per cent., plus the costs of operating the savings system, is cheaper than borrowing in the usual way, particularly when these deposits are demand funds and a cash reserve must be maintained in the banks at 3 per cent.

But until confidence has been re-established in the banks it can hardly be expected that the government will close up a service for which the people think there is a need. When confidence is restored the banks and the public should look to the government to close up a department which does not now fulfill the purpose for which its establishment was intended.

RESTORING CONFIDENCE IN THE WEST

LETHBRIDGE isn't getting money on mortgage loans for public building houses, and it isn't likely that there will be any change for the better in this regard in the near future, according to J. W. McNicol, chairman of the special committee of the Board of Trade of that city on building loans. He says further:

> "Alberta isn't attracting money for this purpose. Legislation in the past had scared money out, and the difficulty is also presented by the loan companies that they have no assurance that new freak legislation is not going to be passed in the immediate future.

This is an indication that business men in many Western districts are realizing that the only way to attract capital is to avoid hiding behind protective legislation,—to at least demonstrate a desire to meet overdue obligations. The work of several far-sighted men is bringing results. In fact one financial authority states that the municipal reports from Saskatchewan are now more complete than in the case of those in other provinces. The frankness in disclosing the full details of their financial positions, has attracted attention to several cities.

The city of Regina has instituted a system of monthly reports which are widely distirbuted; in Calgary a new plan of introducing a yearly budget before the close of the previous year. This gives the citizens a chance to review it before the municipal elections. These and many other changes to stimulate an interest on the part of the residents are winning favorable comment in financial circles and mark a distinct step forward in working out the difficulties which have beset the West.

WHERE SURPLUS INCOMES GO

LABOR agitators and those officials and the smaller business men and manufacturers who have small incomes and therefore pay small taxes and no super-taxes, who see no harm in the heavy taxation of big industrial incomes, might cause an investigation to be made, a "research," as to just what the big income earners do with their surplus income. The general theory is that big profits are spent in luxurious living; the fact is that the big savers use their surplus profits for the general benefit and they use them wisely.

FOR THE CHEAPEST ROUTE

THE consumer in the Far West, the grain grower of the prairie provinces and the manufacturer of the East are interested in the development of the most economical transportation routes for the goods they have to buy and the products they have to sell. However, as the Moose Jaw Times points out, the big cities in different parts of the country are evidently interested in the development of the business of the home town rather than what may benefit the country as a whole. The Times comments:

> We have Vancouver and Edmonton out in support of the Western route because Edmonton wants to be another Fort William and Vancouver another Montreal; and Toronto prates about friendly rivalry but advises the East to keep in view the St. Lawrence deep waterways scheme, because Toronto hopes by this scheme to make Montreal sit up and take notice of the big ocean liners as they go to and fro between Toronto and Liverpool.
>
> But, in the meantime, what the great West wants is the port on Hudson's Bay and the Hudson's Bay route opened up. This should be Canada's answer to the Panama Canal so far as wheat shipments are concerned. It would be an all-British route, conserving to British boats and British railways the millions of dollars annually paid to the United States interests for wheat transportation.

Canada's welfare demands the consideration of the transportation problem as a national rather than a local issue. It is highly important that our products should be taken to the consumer by the most economical route and that the things that the producer requires should also bear the minimum of transportation cost. To regard the transportation question from any other standpoint will put our farmers and our manufacturers and the whole community at a disadvantage ultimately. It is a matter for transportation experts and not for politicians.

The government has now decided to place a Customs officer at New York to facilitate the shipment of Canadian goods in bond via Panama Canal for B. C. Here is a chance for promotion for some experienced, capable man with a good record now in the Customs Department. It is well known at Ottawa that the Customs Service is heavily overmanned and its good men underpaid. As soon as taxation is reduced, the claims of a number of good men in this department for special consideration should be dealt with.

PRIVATELY OWNED RESEARCH BUREAUS PREFERRED

PROFESSOR MacLennan makes out a strong case for the establishment of a great national Bureau for Industrial Research to which would be sent, and maintained at public expense, scores of university graduates in accumulating annual numbers. He tells an intensely interesting story of what Research has done in turning waste products to practical use and often into great profits, and it is very easy for him to create such enthusiasm for his scheme that audiences and associations everywhere without further consideration will pass strong resolutions demanding Government support. He attacks the Senators for defeating his schemes.

The wise old Senators are usually men of long political or business experience and, fortunately for the taxpayers of the country, are not easily carried off their feet. In the case of such schemes they proceed to verify the statements made by promoters and not only estimate the immediate cost but vision what the future annual upkeep will mean.

When the Research scheme was first presented to them some years ago by Professor MacCallum and his associates, they found, first, a demand for elaborate and costly buildings, which they estimated would eventually run into a couple of millions.

As practical men they knew this was the wrong way to begin any new experiment. They next found that many of the claims for the success of publicly-owned Governmental Research Bureaus were not strictly accurate. We are quoting statements made by the Senators themselves to THE POST. They found that practically all the world's great research results came from the private laboratories of individuals, individual institutions or privately-bonused colleges. We are inclined to think that when the facts are known the country will strongly support the Senators, especially as there is a growing dread of the increasing private service departments that are being paid for by the public at large.

But there is a great field for Professor MacLennan and his associates in the college and industrial laboratories in work they are doing. His campaign should be carried on direct with the executives of the industrial establishments, either in groups or in their individual plants. Few of them appreciate the great work the universities are capable of doing, or the great results that may come from research work. There are few institutions in the country, which, if shown their value, as Professor MacLennan is so well able to show them, would not absorb the research graduates.

EDITORIAL NOTES

THE PROPORTION of defeated money by-laws as the result of the recent municipal voting has been just about as large as the proportion of expenditures favored a few years ago. This indication of the awakening of the taxpayers to the realization that there is no escape from the consequences of public spending is one of the hopeful signs in the present gloomy taxation outlook.

* * * *

SIR ADAM BECK declares that it is the supply of power and not the price of power that is the problem facing Ontario. But price should not be lost sight of. Canada built railways with the idea of providing transportation without considering the cost—and the deficits in the railways to-day provide one of the most serious problems which the country has to face.

* * * *

THE TORONTO Mail and Empire is responsible for the statement that in future Hydro rates will have to be raised sufficiently to finance capital expenditures, and that the "power at cost" basis of operation is to be abandoned. As Toronto ratepayers are already paying around $4[illegible] per h.p. year for power supplied the water works, as compared with $25 paid by Montreal, it would be interesting to know what the increased rate is likely to be.

Shaughnessy, Railway Giant

By FLOYD S. CHALMERS.

Donald Smith conceived the C.P.R.; George Stephen together with R. B. Angus, financed it and Sir William Van Horne built it. The final requirement was a man big enough to run the road, and the man who was chosen was Thomas Shaughnessy. With the death of Baron Shaughnessy the last of this mighty group of Empire-builders passes from the crowded stage of Canadian development and joins the throng of the leaders of yesterday who will always remain the inspiration of the future.

Someone has said than Van Horne's two great achievements were building the C.P.R. and choosing Shaughnessy to run it. Certainly there can be no doubt that it was Van Horne who brought the silently systematic Irishman to Canada to win for the Canadian Pacific the destiny that its founders made possible. Shaughnessy was the son of a Milwaukee policeman and he worked as a clerk in the stores department of the Chicago, Milwaukee and St. Paul Railway, which Van Horne was running, though other people had the titles. Van Horne nosed him out in that canny way of his, much as a newspaperman scents a story and trails it to its lair, and made him general storekeeper.

Shaughnessy Does the Buying

When Van Horne told the promoters of the C.P.R. that he would build 500 miles of line during 1882 he sought around for the man who could organize the vast train of supply services; he thought of Shaughnessy back in Milwaukee and asked him to come to Montreal as general purchasing agent. It was Van Horne's greatest choice. Many of the other men he chose in his life time fell down. When he got Shaughnessy, he got the man who was going to build the C. P.R. from a few thousand miles of steel to a vast transportation service of world wide proportions and unique in its conception of service. From the start, Shaughnessy justified Van Horne's faith in him. As the monster line filled its belly with steel, and ties, and lumber, and foodstuffs and thousands of trainloads of other supplies, Shaughnessy kept a continuous stream of new materials rushing westward. Never once was there a delay of a day because Shaughnessy was not on the job.

He Fixed Up the Creditors

Before he was through with his job of purchasing agent for the C.P.R. Shaughnessy had become the world's greatest handler of creditors. There was one time—yes, there were dozens of times—when the young railway was fighting with its back to the wall. No one knew where the next dollar was coming from. The government was sure it was not going to come from Ottawa. The bankers had exhausted every resource—or so it seemed. Creditors pressed on, and frightened by the seeming collapse of the whole scheme, refused further advances of materials. Mountstephen and Angus handled the bankers; Van Horne and Smith the politicians. Shaughnessy handled the creditors. He spent ten dollars and got a carload of supplies and repeated the process a hundred times. His engaging frankness made the creditors see the vision of what the C.P.R. could be. Then he told them all bluntly that if they did not supply what was wanted of them they would never get another dollar's worth of business from the C.P.R. Shaughnessy did his part to save the C.P.R. by keeping the supplies running. It is recorded that the company was never pressed for a lawsuit and that never a note went to protest.

The Line is Finished

Eventually the great grade was climbed and the Empire builders stood on the peak of achievement and surveyed their work. Van Horne proceeded to run the road and made Shaughnessy assistant general manager. Shaughnessy had proven himself one of the greatest executives of all time. Van Horne was a builder; not an operator of railroads, and having completed the C.P.R. it became evident that his interest in the road had subsided, at least a little, from the peak. Shaughnessy had to take on more and more of the administrative control. Pretty soon he was running it entirely, although Van Horne remained the nominal head. At first Shaughnessy refused to become president. He wanted Van Horne to stay until the C.P.R. had proven itself beyond a doubt. Finally in '99 Van Horne resigned and Shaughnessy became president.

The Big Growth Comes

Under Shaughnessy's presidenty the C.P.R. came into its real power. It flung itself across two oceans and knit its loose woven fabric at home into a thing of harmony and growth. Shaughnessy worked like a giant—though with coolness and courage—to make the Canadian Pacific Railway. He saw too that his work was not only the building of the C.P.R., but the up-building of Canada. As Canada grew the C.P.R. would grow. If Canada went behind the C.P.R. would go behind. It was under the Shaughnessy regime that the C.P.R. became the great national force that it is. If there is any truth in the oft repeated charge that the C.P.R. runs Canada, it is in the fact that wherever the C.P.R. has had a hand in things it has done more for the country than the politicians.

The problem of making the railway the most solvent enterprise of its kind in the world was not easy; there was the Canadian Northern and the Grand Trunk Pacific to contend with, for they each one added thousands of unnecessary miles of railroad.

Shaughnessy went about his job with tenacity of purpose and with his eye on the single end of making Canada to grow and the C.P.R. to grow with it. Under his guidance, millions of dollars plunged in the West, opening up new areas of land and peopling them with the sturdiest stock of Europe and the Mother Country. Flour mills, mines, irrigation schemes, were given encouragement. And all the while men were being trained to run the C. P. R. after Shaughnessy and the others would have stepped down. It was to be a young man's job always.

Resources Kept Strong

Not the least of his achievements was keeping the C.P.R. liquid. Before the war Shaughnessy evidently saw something coming, for he sold enough stock in 1912—at 175—to put the railroad in a position to meet all its obligations and carry on through any period of stress. Shortly afterwards he stepped down and that typical C.P.R. product—the equally broadvisioned, Canada-minded Beatty stepped up.

Shaughnessy became chairman of the road with Edward W. Beatty as president. He did not retire. He never interfered in the running of the line, but his influence at Windsor Station was mighty to the end. He had a little office with a broad window looking over the tracks and yards. The curling steam, the clanging bells and the lean lines of sheds were with him every day. He remained a railroadman to the day of his death.

Vigorous to the End

Shaughnessy never lost his vigor. The day before he died he attended a public ceremony. One recalls talking to him in his office only a few weeks ago. He could talk of nothing but Canada. The nation was on the verge of another golden era such as it has in the past experienced.

People in far off lands were beginning to throw their eyes and thoughts Canada-ward. New money was going to come. The young men were going to have their chance to perform miracles of building such as had been done in the Canada of the days before the war. All this in a voice as firm as that of Shaughnessy, the president.

He was a great man; perhaps the greatest Canadian of his time. On his death bed he sent for the president of the C.P.R. His last words to him were about the C.P.R., and more broadly about Canada. He said: "Maintain the property. It is a great Canadian property and a great Canadian enterprise."

Sir William Mackenzie

By J. W. T.

Sir William Mackenzie was a man who believed in doing the things he undertook with all the energy and resourcefulnes with which he was so remarkably endowed—and he only undertook the things he could do well, usually much better than anyone else. He shunned publicity, not only because he would rather work than talk, but because in his concentration on the task in hand he had little time for the consideration of those delicate adjustments of political and economic factors which must be so closely studied by leaders of public life and public opinion. Thus the public often did not understand and more often misunderstood the work and the ambitions of this great creative and organizing genius. Like many of the great masters in art and science, he was content to give his whole remarkable ability to his task and let history tell the result and justify the methods.

* * *

During the period when the railroads of the United States were being operated by the government, there were many complex problems being discussed. Business men and public men in all parts of Canada and the United States were expressing their opinions on the effects and results of the government experiment in such a complicated business enterprise as transportation. Sir William Mackenzie had been in the United States. I went to see him on his return. Here was a railroad builder and operator whose opinion would be valuable, I considered.

"What do you think of the railroad situation in the United States?" I asked.

"Well," he said, with his quizzical smile, "coming up last night I had the rottenest meal I ever had on a train."

That was the comment of Canada's great railroad builder on the complex transportation situation in the United States. He would not discuss the matter further. Whether he intended to convey that railroads that could not serve meals could not give service in other directions or whether it was merely the evasion of the worker, the builder, of the complexities of an involved political question I was not quite able to decide.

* * *

Of the steadfast loyalty of Sir William to his friends and to his projects, much has been said—and a great deal more might be said were the facts generally known. But, as secrecy is often the handmaiden of loyalty, many of the big little things that Mackenzie did will never be known. On one occasion I startled him into a quite unusual declaration of his steadfastness to his undertakings.

"What is there in this report in the papers that you have sold your stock and gotten from under Toronto Railway?" I asked him pointedly. It was during one stage of the dealings between the company and the city when the railway stock was in the depths.

"I never sold from under a proposition in my life!" he declared emphatically, as his voice went up and fist came down. He jabbed at a button on that big bare table he used for a desk. His secretary came in.

"A———, how many shares of Toronto Railway stock have I?" he demanded. His secretary retired to consult the records. He reported a figure well over two thousand shares as I recall.

"Does that look as though I had sold out?" he ejaculated. "N——— and ——— and some of the others sold," he went on, "but I have my stock in Toronto Railway as I have in all the other companies I promoted." And then the voice became less stern and the fire in the piercing eyes was subdued as he added: "Of course, I would not say that that stock is entirely clear; you know how it is with us financiers when we use our resources to the limit, but it is in my name and it has never been sold."

* * *

Sir William was known as the most generous of men—generous perhaps to a fault to those he cared for—and yet one day I saw him accept the return of two cents from a newsboy when perhaps nine men out of ten would have held themselves above the pennies. But it was business. The boy had been commissioned to get a paper. He came directly into Sir William's office through a door from the hall which was little used. The paper was wanted by Sir William himself. The boy had not been able to get it. He offered the railroad builder the two cents and the man who would risk thousands or millions on the projects of his friends or give lavishly to his family, put the pennies in his pocket. In that, however, was depicted the man who was careful in small things, as demanded by his business training—backing an enterprise for thousands or millions or taking care of those with claims on him was another matter.

LETTERS TO EDITOR

The Council's Theft

Editor, THE FINANCIAL POST,

Sir, I was very glad to see that you had the courage to support the action of the Citizens' Research Bureau in opposition to the despicable policy of the city council in advertising for tenders for water pipes, and then rejecting the lowest offer. By this action the council has filched from Toronto its good name.

My interest in the matter is dictated purely by my love for Canada, fair play and honest dealing. And this action of the council vilifies all Canada, and will make the name of Toronto, in particular, stink in the nostrils of decent men. Plain speaking is called for if we are to have any regard for our good name and reputation. While we have been robbed thereof, the tenderers have been robbed of three things: (1) their faith in Toronto's integrity, (2) their time, (3) their money. Tendering for a contract of this kind is a serious matter, which the city council steals if it does not act in good faith. And it did not!

Who in future will respond to Toronto's invitations to tender for supplies? What will the result be? The answer to No. 1 is: No one in their senses; and to No. 2, that the citizens of this city may expect hereafter to pay through the nose for civic supplies of all kinds.

Not one of the men who vetoed the acceptance of the British firm's tender is worthy of office, except possibly in one of the less reputable towns of the most disreputable of the Republics of South America, where their action might be made public with less feeling of disgust than it arouses in the minds of those who base their decisions upon principle.

Yours very truly,
J. Bridgewater.

Toronto, Dec. 8, 1923.

PERSONALS

BARON SHAUGHNESSY, who has just succeeded to the title of his father, is a popular Montreal barrister, member of a legal firm in that city. He is now forty years of age. During the war he served at the front, eventually becoming A.D.C. to Sir Arthur Currie. Shortly after his return from the front he was elected a director of the Canadian Pacific Railway, and he has also extended his influence into the industrial field, being a director of a number of corporations, among which are the West Kootenay Power and Light Company and the Canada Foundry and Forgings.

* * *

LT.-COL. CHAS. VILLIERS, who has been appointed general manager of Canadian Colleries (Dunsmuir), is a veteran of the South African fields, with a long association with mining enterprise. He was assistant manager of the Johannesburg Consolidated Investment Co., one of the principal gold mining groups in South African, and afterwards general manager of the African and European Investment Co., which controls several important coal mines in the Transvaal, resigning that position to take up a staff post in the Transvaal Chamber of Mines. In 1915 he joined the Coldstream Guards as lieutenant and served through the war, reaching the rank of lieutenant-colonel and being awarded the D.S.O. After the war he returned to South Africa where he remained until recently.

IRON ORE IN NORTH

SAULT STE. MARIE.—More than two hundred claims have been staked in the new iron area near mile post 60 on the Algoma Central Railway. Dr. Millar, Ontario Provincial geologist, visited the area towards the end of October and reported that while much claiming was being done, no drilling had been carried out as yet, and that therefore he could not give any statement as to the possibilities of the area.

Early Maturing Securities

Securities which will mature in a few months, or up to two or three or even more years, can often be exchanged for some unusually attractive issue which may give the investor:

1. A higher income.
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Maturing securities, if promptly exchanged, will keep the funds employed without a break and not only conserve but tend to build up investment holdings.

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INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

CANADIAN PAPER BOARD

Investor, Alberta.—Will you give me your opinion of Canadian Paper Board bonds at par?

Canadian Paper Board Co. is an important producer in its group, and the new issue of its bonds that has recently been made may be regarded as a good industrial mortgage security.

BRANDRAM-HENDERSON BONDS

Investor, Alberta.—Will you please advise me what the price of Brandram-Henderson bonds 6 per cent., due 1939, was on November 10, to the 14.

The Brandram-Henderson bonds are not traded in actively, as the number outstanding is small. They are not listed but have been quoted by dealers in unlisted securities at 89 and 91 for some months. We have no record of sales recently.

PICKED SIX GOOD ONES

Subscriber, Cobden:—Would you advise purchase of the following mines: Newray, Goldale, Lake Shore, Castle, Vipond and Crown Reserve? What do you consider the most promising of the lower priced issues, that is below $1?

Your list of stocks is a good one. As you will see from the mining share quotations on page eight of this issue, only one of your six choices, Lake Shore, is selling above a dollar. Any one of the list should return a good profit over a period of say a year.

CANADA BREAD

C.W., New Jersey.—Is the Canada Bread a holding company or is the stock held by a milling company?

Canada Bread Company is a splendidly organized and effectively operated concern dealing in the most staple of food products, with branches in a number of cities in Canada. Control through common stock ownership is understood to be held by the Maple Leaf Milling Co. While no dividend is being paid on the common stock, the market has recently been strong with advancing prices, which reflect the anticipation that there will be something in the way of a distribution in the next year. The profit and loss statement for the year ending June 30 last showed surplus profits of $711,696, while the common stock outstanding is $2,500,000. Revenue after charging bond interest amounted to $563,618, while preferred dividends took only $87,500.

STEELE-TREMBLAY PAPER

J. R. L., Quebec.—Can you give me the address of the Steele-Tremblay Paper Co., the incorporation of which was reported in your paper. Also what do you think of an investment in this company?

You can probably get further information regarding the Steele-Tremblay Paper Co. from J. J. Steele, care of the News Pulp & Paper Co., Bank of Nova Scotia Building, St. James Street, Montreal. We could not give any advice regarding investment in the company because we do not think any offering of stock has yet been made.

PAN EXTENSION

Reader, Hamilton:—Some years ago I was cajoled into investing a few hundred dollars into a mining proposition known as Pan Extension, headquarters Winnipeg. The stock was sold by Northern Finance, Ltd., Dominion Bank Building, Toronto. Since then I have heard nothing of the activities of this concern. Let me know if they are or ever were bona fide or simply one of the numerous "wild cats" that are the ruination of the country as regards really genuine concerns getting a start.

We recently had a letter from one of the leading geologists of Manitoba who has just been over the Pan Extension property. He stated that there was nothing being done on the claims and that in his opinion the company never had a chance.

WOODS MANUFACTURING

Reader, New Jersey.—Do you consider the Woods Manufacturing Co. preferred stock in the investment class? What reason for the low price around 44?

The passing of the dividend and prospects that the company will show smaller profits this year than last year are explanations for the price of this stock declining to present levels. Sales this year have been about 25 per cent. higher, but there have been losses on purchases of jute, the market for which has declined during the year. The Empire Cotton Mills, an important subsidiary at Welland, has run to capacity throughout the year, but in the face of somewhat unsatisfactory conditions in the textile industry generally, it seems reasonable to suppose that profits have not been all that could be expected. The prospects are not regarded as particularly bright for immediate improvement, but over a period of years there should be substantial progress in the industry in which the Woods Manufacturing Co. would logically share.

ONTARIO DEBTS

Investor, Detroit.—A press dispatch appearing in the Detroit Free Press November 25, gave the public debt of the province of Ontario for 1922, as $287,681,596 with an increase since the fiscal year which ended in 1922 of $55,000,000. Could you obtain for me an itemized list of what these obligations consist?

The most recent statement of the bonded debt of the province of Ontario indicates that it now totals $268,436,900. This, of course, applies only to the bonds outstanding. We have tried to secure details of the treasury certificates, and current loans now outstanding, but have been unable to do so. The assistant provincial treasurer states that this information is part of the statement which the provincial treasurer will present to the legislature at the coming session, and refuses to give this out at present. As there is a strong feeling among large investors and bond dealers that details of the entire debt should be given out, it may be that these will be available later. Buyers of bonds maintain that the full information is necessary in order to determine the exact position of the province.

CHICOUTIMI PULP

M.A.E., Alberta.—What do you think of Chicoutimi Pulp and Paper Company bonds at $89.50?

The Chicoutimi Pulp & Paper Co. is the largest ground wood producing enterprise in the world and is a very important unit in the Canadian pulp and paper industry. Its product is one that has enjoyed a strong market and broad sale during the past two years, and it is quite likely that the demand for Canadian ground wood pulp will continue in the future on a good scale. We consider the prospects for these bonds are excellent, although they are tied up in such a way with other securities of this group of companies that only a syndicate that is strong financially can enlarge the scope of the operations and round out its production as may in the future be necessary.

Kitchener Kirkland

Toronto Investor:—Kitchener Kirkland are offering some stock for development purposes. Will you say whether in your opinion it is a good speculation at 25 cents?

From information gathered in making some inquiries as to who was selling Kitchener Kirkland stock at 25 cents, we would not be surprised if the offer that was made to you has since been withdrawn. From the prospector who staked the properties of this company, we learn that an option was given on a block of the stock. Later it came to his attention, and when he learned of the methods being employed, saw some of the literature and also found out the cost of selling he objected and brought about the withdrawal of the option. Kitchener Kirkland has excellent properties and the stock is worth 25 cents if the right amount of the money raised is going into actual mining.

PLENAURUM

Banker, New Brunswick:—I am holder of 100 shares of Plenaurum and have recently received several offers from parties in Toronto to purchase this stock. Will you kindly give me your opinion of the property.

Your 100 shares of Plenaurum are valuable. Goldale mines want control of the company to add the property to their mine. McIntyre, whose holdings are on the west, also want it. Each company owns 40 odd per cent. of the stock and are bidding for the balance. Prices range from 75 to $1 per share and there are rumors of higher bids. J. P. Bickell, Standard Bank Building, is buying for the McIntyre, and T. H. Rea, Dominion Bank Bldg., for the Goldale. There is a danger to guard against, that is, of loss in holding out too long, if you want to sell. If one side happens to get control, then there is sure to be a drop in the price of the stock. No matter which company gets hold of the property, it is sure to figure in a big mine in the future.

OTTAWA RIVER POWER

R.M.S., Ontario.—How do you size up investing in the new issue of Ottawa River Power bonds, and how does this issue compare with Drummond Apartments and Gurney Foundry bonds?

There are fair prospects before the Ottawa River Power Company, and quite likely that the growing market for power in the Ottawa and Hull district will absorb the amounts that are to be initially developed. But the proposition is still in the construction stage, and the bonds cannot be in any sense regarded as a seasoned investment. This, of course, is recognized by the house issuing the bonds, for a bonus of common stock is being given with each bond. The issue is a fair business man's investment, but there are stronger and more seasoned issues available for those who require absolute safety in the investment of their funds.

We cannot make a comparison of this issue with Drummond Apartment or Gurney Foundry bonds. The latter are real estate issues in which there is an equity of real estate larger than any amount of bonds outstanding. Water power bonds and real estate bonds are hardly comparable each type of issue having its own advantages.

WOULD TAKE A CHANCE

Merchant, Alberta:—Your last issue of THE POST is very good and it stirs the spirit of taking a chance. I have a few hundred dollars I would not mind forgetting for a while and your judgment is sound when it comes to advising investment. I would like to invest some money in mining stock in Northern Ontario and I shall be glad to have you opinion.

We conclude from your letter that you are willing to wait for a profit. There are several issues now selling fairly low and which promise to give a good return over a period of, say, a year. They are:

Goldale present price 50 cents. Porcupine Gold property. Has real chance. Efficiently handled.

Newray, 40 cents. About the same as Goldale, but not as far advanced or as certain.

Night Hawk, selling at $1.25. Vendors' shares can sometimes be picked up cheaper. Will be listed in 60 days. Mill started producing gold this week.

Vipond, 95, is a Porcupine gold mine that has just started its mill.

Tough-Oakes, Burnside, 69 cents, is making good progress and may start milling in spring.

Castle is a silver property in Gowganda. It is in good hands, has large reserves and may have its mill going by March.

SOME GOOD INDUSTRIALS

Subscriber, Burkes Falls.—How do you regard the following stocks with a view to investment? Spanish River Pulp, pref.; Provincial Paper, pref.; Maple Leaf, pref.; Western Canada Flour; Canada Bread, pref.; Robert Simpson, pref.

You have named an attractive list of industrial preferred stocks. Any of them should give you reasonably assured dividends over a period of years, with opportunity perhaps for some appreciation in value as a reflection of conditions in the industries concerned.

Canada Bread is, perhaps, first choice from the investment standpoint, but Robert Simpson and Provincial Paper are almost equally as good. Spanish River preferred has a speculative feature in that the stock participates in additional profits above a certain level. This stock, however, has had a material advance recently and is, therefore, not so attractive as it was some time ago. Maple Leaf, we believe, like Western Canada Flour Mills, is more speculative than some of the others, because of the fluctuating conditions in the milling industry but this industry has recently undergone a rather severe depression and better things are being predicted for Maple Leaf.

WEST DOME THE BEST

Investor, Orillia: — Having a little money to speculate with, I would ask you in confidence what you think of Porcupine Grande, West Dome Consolidated and Beatty, or which would you favor.

Porcupine Grande is operating a large property to the east of the producing section of Porcupine camp. Excellent results have been reported recently in diamond drilling operations good commercial ore bodies having been reported cut.

However, we would not advise the purchase of this stock as an investment. In the first place too much of the company's capital stock was paid for one half the property on which one of the vendors retained a mortgage. The other portion of the property is to be paid in cash. In the meantime, an aggressive stock-selling campaign has been going on. The cost of selling is so high that little of the money being raised goes into actual mining operations.

West Dome Consolidated is the best of the stocks you mention. There is a feeling abroad that this issue is selling below its real value. The company's operations are well financed and in capable hands. Progress has been such of late that the principals are talking of having the mill going by spring.

Beatty is in a new district, Pain Killer Lake, in from Metheson. It is a good prospect, but will undoubtedly be a long hold.

KEEFER REALTY CORPORATION

R.M., Ontario.—I have been approached to trade some of my Dominion of Canada bonds for bonds of the Keefer Realty Corporation. I am holding $30,000 of Canadian bonds and some local farm mortgages. Do you consider that my increased income and profit on the trade would warrant my making an exchange to the extent of $5,000? Are these bonds as well secured as local farm mortgages and will they be marketable?

You recognize, of course, that bonds of the Keefer Realty Corporation or any other similar corporation must rank well below Dominion of Canada bonds in two of the essential qualities of an investment—that is safety and marketability. But when a person has such a substantial investment in Canadian government bonds as you have there is justification for a transfer of a small portion of the holdings into good corporation issues, which yield a much higher return. The Keefer Realty Corp. is well secured and there is no reason why you should not purchase some of the bonds. We would suggest, though that if you are going to convert any large portion of your government bond holdings into higher yield securities that you distribute the amount over a number of good issues. Five thousand dollars might be divided between two issues.

It is difficult to compare this issue with local farm mortgages. There are many different grades of farm mortgages, and local interest rates vary from community to community. The issue should be more marketable than local farm mortgages, for there is a good investment house behind the issue who will, we presume, keep up a continuous interest in the bonds to prevent loss in the future to investors who may require to sell upon short notice.

C. N. DEBENTURES

A.H.S., Ontario.—I would appreciate your opinion of Canadian National Railway income charge debentures. In your opinion is the Dominion government bound to pay the principal in 1930? Is there any possibility that the holders of these debentures could be treated in the same way that the English holders of Grand Trunk bonds were treated?

We consider that there is a very excellent possibility that the Canadian National Railways will in 1930 reduce the 5 per cent. income charge debentures. Legally the Canadian government is not bound to repay the principal of these debentures at maturity. Canadian government has given no guarantee whatever in this regard. It is, nevertheless, true though that if these debentures are not met, the holders have a claim upon the assets of the railroad, subject to bonds that rank ahead, and it is hardly conceivable that the government would permit the line to be thrown into receivership at that date. Should, however, the line be returned to private ownership, your position would be that you would have nothing to expect from the Canadian government, although your security would still rank as a charge against the assets of the company. But as time has gone on it has become more and more apparent that these debentures are almost certain to be redeemed at par in 1930.

We do not understand your reference to the manner in which the English holders of the Grand Trunk bonds were treated. No obligations of the Grand Trunk or Grand Trunk Pacific Railway have been revoked by the Dominion government. On the other hand, in taking over the line, the government guaranteed the interest on a large amount of debenture stock of the Grand Trunk Railway and thus gave the holders a Dominion government security in exchange for the security of a debt-burdened railroad. The investors in the Grand Trunk who did not get anything for their holdings were the holders of various stocks that represented not obligations but the ownership of the line. It was determined by a board of arbitration that there was no equity whatever in the railroad to give any semblance of value to their holdings.

CURRENT OPINION

AN EXAMPLE OF INFLATION
(Commercial Intelligence Journal)

One finds the cloud of 26-cent sugar still hanging over Dominican commerce. The "dansa des milliones" (dance of the millions), as the sugar boom of 1920 is euphoniously captioned in this republic, swept across a comparatively primitive commercial community with disastrous results. In lieu of an established speculative community, every corner grocer became a speculator. It is a matter of record that the proprietor of one small bodega or grocery shop in San Domingo City bought sugar at 6 cents, and at 10 cents borrowed money from the bank to buy more, repeated this process, and refused to sell at 22 cents; and when the crash came, the bank found themselves the possessor of a small grocery shop for a debt of $300,000.

THREATENED BY GREED
(Vancouver Sun)

Unless the Vancouver Harbor Commissioners reconsider their new tax of ten cents a ton on the shipment of grain through this port, the whole structure of the western route, built up laboriously on sound economic laws, is apt to collapse through their very greed.

This port cannot hope to pay its way as it goes along. It must be fortified with investments payable out of future profits just in the same way as any other new business project is worked up.

If antagonism to this route is engendered in the prairies, future profits will be non-existent and Vancouver will be back in the position of five years ago.

Aesop tells of the greedy ape that reached into the pitcher of grapes and filled his hand so full he could not pull it out. In his efforts to get all the grapes at once, he not only failed to get any, but squashed them into a pulp.

If the Harbor Board persists in its present course, the western route grapes will be squashed beyond hope of repair.

GIVE THE PUBLIC THE FACTS
(Regina Leader)

The continued failure of the wheat pool committee in this province to take the farmers into its confidence and tell them exactly how the pool stands to-day is inexplicable. The committee started off three months ago with a great flourish of trumpets. At least half the acreage of the province was going to be signed up before Sept. 12. When Sept. 12 arrived, nothing like half the wheat acreage of Saskatchewan had been committed to the pool. The committee then started sending out waivers for those who had signed the pool contract to sign, with the object of securing consent to the deletion from the contract of the clause which required the pool to have at least half the acreage of the province signed up by September 12th in order to make the pool legally possible.

As long as the wheat pool committee persists in denying the farmers information, without which they cannot feel safe in turning over five years' wheat to the pool, slow progress will be registered. There is no reason why the committee should not give the farmers all the facts—unless there is something it wishes to hide. The apparent inability of the committee to see that its policy of secrecy in a matter of vital concern to every one of the thousands of farmers who have signed the pool contract, is the worst sort of thing for the pool, is nothing short of amazing.

THE LAND MINER
(Regina Leader)

The elimination of the "land miner" in the West is cited by a prominent banker as one of the brightest signs of the times. The man who mines his land instead of farming it is being replaced by the real farmer. As time goes on this process of elimination will bear fruit in sustained productivity of the soil and a prosperous and more contented rural population.

"Clean-ups" are still being made in wheat. A recent report from Alberta states that with low-priced farm lands and heavy yields of grain in that province this year, some farmers have been able to "accomplish wonders" in the way of financing their farms. As an instance: Certain parties acquired a farm near Consort in the fall of 1921, which they prepared for crop last year and sowed this year to wheat. The crop which they have just taken off has paid for itself and for the land in addition.

Such instances are unusual. Alberta had an exceptionally heavy wheat yield this season. She cannot depend upon having such yields year in and year out — and neither can Saskatchewan nor Manitoba. Consequently there is nothing in the experience of the few farmers in the West who have done "wonders" with wheat this year to disprove the contention that in the long run straight wheat growing or one-crop farming of any sort is bound to be as bad for the farmer's bank book as it is for his soil. One-crop farming is "land-mining"; and "land-mining" means taking everything out of the soil and putting nothing back.

Wheat will probably remain for many years the principal crop in this province; but straight wheat farming is doomed. As the foundation for a system of intelligently balanced farming, wheat is a very valuable crop. As a whole system in itself, wheat is as risky as any other crop.

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NEWS AND VIEWS ABOUT BONDS

BOND PRICES ARE FIRM BUT DEMAND NOW SLOWING UP

Expect Several Cities in the Market for Money in January

Activity in the bond market has shown a tendency to slacken due to the approaching Christmas season. Orders for private investors, which continued to come in after the heavy Dominion and provincial financing in the fall months, has fallen off somewhat in the past week. While institutions are not bidding actively for bonds, some have provided for obligations made some time ago and are preparing to accept offers where the price is low.

Trading has been reduced but prices are much firmer than for some time. While the demand is not strong enough to push prices to noticeably higher levels, dealers are in a better position to take on commitments than at the end of November. The syndicate floating the recent Ontario loan has been dissolved and the price of the bonds is now subject to trading fluctuations. Bidding for Victory loan bonds has resulted in better prices for several issues. Odd blocks of Canadian bonds in sterling denominations and payable New York are being offered in some quarters.

Speculation as to the prospects of the January market is now being indulged in. There are heavy interest and dividend payments in January, which usually maintain the demand. In addition it is expected that loaning institutions will be able to make some collections on debt arrears in the West, especially in Alberta. To meet the demand there are the present holdings of the dealers, which are considerable in cases, and a number of new issues. It is rumored that Alberta will sell an issue here, while among the cities, Montreal, Ottawa and Hamilton will be in the market for approximately ten, two and one million dollars respectively.

Buy Bruce Bonds

During the week Bruce county awarded an issue of $20,000, 5½ per cent., 20-annual instalment bonds, to Nesbitt, Thomson & Co. at 100.53. The tenders were:

Nesbitt, Thomson & Co.	100.53
W. A. Mackenzie & Co.	100.52
Macneill, Graham & Co.	100.493
Bain, Snowball & Co.	100.490
Matthews & Co.	100.48
Municipal Bankers' Corp.	100.41
C. H. Burgess & Co.	100.31
McLeod, Young, Weir & Co.	99.90

S. W. Straus & Co. Expands Its Canadian Business

Announcement was made this week that S. W. Straus & Co. have moved their offices from the Sterling Trusts Building to larger quarters in the Royal Bank Building. E. C. Calder, who was formerly connected with the Globe, Saturday Night and the Toronto office of the Montreal Star, has joined the company's staff.

S. W. Straus & Co. has been established for over 40 years and has offices in many cities in the United States. The company finances industrial and large building enterprises through the sale of mortgage bonds. The company entered the Canadian field, about a year ago, and since that time its business here has developed rapidly. In connection with the change of offices W. R. Baine, the manager, said:

"Within the year our company has made loans to Canadian enterprises aggregating about $5,000,000, which is the best evidence of our faith in the stability and upbuilding of this great country, and we shall no doubt continue to assist in the financing of enterprises here when the opportunities present themselves."

Billions of American Dollars are Going Abroad

NEW YORK.—In the ten-year period which ends this December, American investors will have purchased more than $5,000,000,000 worth of securities of foreign governments, states, municipalities and corporations.

The $5,000,000,000 exported in this ten-year period is fully twice as much as has been invested by foreign investors in the United States in the past 150 years. The total includes only bonds floated by foreign countries since 1914. It includes only a rough and conservative estimate of foreign internal issues placed here in the same period. It does not include the dollars which have gone abroad through other channels and, of course it takes no account of the $10,000,000,000 advanced by the United States government to its allies in the war.

Will Finance Catholic Schools by Bond Issue

From Our Own Correspondent.

ST. JOHN, N. B.—The Bishop of St. John has announced his intention of selling a bond issue of $800,000 for school buildings. Heretofore the money for the new structures was advanced by the St. John banks. It has been decided to group a number of schools already built within the past few years, and a new school for boys to be started in the spring. What the rate of interest on the bonds will be is as yet unannounced, the plans arranged being thus far only tentative. It will be the initial bond issue of this nature in New Brunswick.

RAILWAY EARNINGS
Week Ending Dec. 7.

	1923	1922	Change
C. P. R.	$4,557,000	$4,155,000	+$402,000
C. N. R.	5,521,725	5,190,075	+ 331,650

Offer $250,000 Stock of Property Company

An issue of $250,000 of common stock of Property and Mortgage Securities, Ltd., is being offered by Norman Harris Corporations, Toronto. The company has been organized to engage capital in the purchase and sale, in the discounting of, loaning money upon, and the financing generally of sound first and second mortgages, and to acquire by purchase, or otherwise, any residential or business building convertible by improvement into an asset of greater value, saleable at a profit, or to produce an enhanced income from lease or rental.

The capital will consist of $250,000 of common stock offered at par. The directors are: Arthur H. Britton, president, barrister-at-law, Toronto, Victor A. Hooper, manager Victoria Creamery, Limited, Toronto; Philip C. Palin, O. A. A., architect, Toronto; Norman Harris, of Norman Harris Corporations, Toronto.

BIG TAX EXEMPTIONS SHIFT LOAD UNFAIRLY

About a Billion and a Quarter of Canadian Property is Exempt from Taxation

From Our Own Correspondent.

MONTREAL.—In Canada there is about $1,250,000,000 of real property that is exempt from municipal taxation. This is just over one fifth of the estimated actual value of the land and buildings in Canadian municipalities.

Montreal has larger tax exemptions than any other portion of Canada, large areas of the finest land in the city being owned by religious and charitable institutions. Exemptions in Montreal total $230,000,000, according to the assessment rolls, and the actual value of the properties would be much higher. Toronto has property exempted to a value of over $110,000,000.

It would not be possible to estimate the degree to which the tax burden has been unfairly shifted to business generally by the piling up of tax exemptions. Of recent years, the problem has been complicated by the trend to public ownership of such undertakings as street railways, power systems, etc. Privately-owned companies that contributed heavily to municipal, provincial and Dominion tax revenues have been suddenly released from paying their fair share of the cost of government. The burden has had to be assumed by other taxpayers, many of whom benefit in no way from the operations of the tax-freed enterprises.

Sectional Demands Increase Tax Levy

From Our Own Correspondent.

REGINA.—Reducing taxes without reducing staffs, or cutting down salaries—in other words making omelets without breaking eggs—is the problem which is worrying all governments at the present time. THE FINANCIAL POST sounded the loud tocsin in demanding economy when spending and borrowing was the popular cry. Commenting on the situation, the Regina Leader says in part:

"The demand that governments shall economise—cut expenditures to the bone is everywhere heard in the land. The demand is not only justified, but it must be heeded if Canada is to carry the huge burden of debt bequeathed to her by the war, without seriously impairing national industrial development. At the same time very few sections of the country take kindly to the idea of having this economy practised on them. They want it practised somewhere else.

'When a locality is discovered which does not object to giving up something that it has possessed for years in order that the government may cut down its administrative expenses, a vote of thanks is due it. There must be economy—all along the line. Saving a few dollars here and wasting an equivalent amount there, is not going to get the country anywhere. All sections of the country must join in making sacrifices. The citizen who denounces a government for extravagance, and then sits on its doorstep and tries to pester it into buying a school house in his town for vastly more than it is worth is a sham and a hypocrite. A city that did the same thing would be equally reprehensible. The people who advise the shoes of retrenchment for others, should not squeal when they pinch their own feet."

JAMAICA PUBLIC SERVICE

The Jamaica Public Service Company reports gross earnings for the month of October amounting to $46,638 compared with $44,168 for the same month in 1922, an increase of $2,470. Operating expenses increased from $30,272 to $31,300, and net earnings at $15,338 increased by $1,442.

WILL ASK PUBLIC OWNERSHIP TO PAY ITS OWN WAY

Change of Government Policy in Ontario Forecast

As a prelude to a probable change in attitude towards Hydro and public ownership projects in general by the Ontario government, following the presentation of the report of the Gregory Commission into the affairs of the Hydro Commission, The Toronto Mail and Empire declares that the first budget of the Ferguson administration will be accompanied by the announcement that public ownership must be prepared to pay its way in the future. The article says:

Just how long a province can continue to borrow on behalf of public service projects, no matter how tangible may be their returns, is a question which is exercising the minds of the Ferguson administration. The ministers are within appreciable distance of introducing their first budget to the Ontario Legislature, and thus they are being forced to face squarely the problem as to whether or not the province can continue for another four years to borrow annually $40,000,000 for capital expenditure purposes.

The decision which the Government has practically reached in the matter, The Mail and Empire learns, is that the province has come to the parting of the ways, that from this time forward public service projects must finance their own expansion or else be paid for by specific taxes on their account which will not leave them a charge upon the credit or future of Ontario.

Such a decision carries with it the intimation that the famous Hydro slogan of "power at cost" must go by the boards in favor of a policy of rates that will provide for the system's future need of extensions.

The policy which the present Cabinet intends to embrace is one of debt retirement. Public services which are necessary on a large scale, such as good roads will be paid for as they are constructed out of taxes levied for that purpose. The Province, in short, is to be made to live within its income.

Undoubtedly the enterprise which will be most affected by such a policy upon the part of the government will be the Provincial Hydro. For merely ordinary extensions of its present system and without any provision for new departures, the Hydro will require $12,000,000 annually from the government for the next 10 or 12 years.

The view of the present Ministry is that it cannot each year include such a sum in its estimates and provide for it by the sales of debentures. It inclines to the view instead that the time has come when the Hydro should depart from its strict basis of power at cost and should charge rates which would help it to provide for its own expansion and keep it from always consuming a large share of the Province of Ontario's credit in the finance markets.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's, 1940	94½	95½
Alabama Traction 5's, 1962	65½	67½
Algoma Steel 5's, 1962	..	32
Ashdown Hardware 5's, 1928	94	96
Acadia Sugar 7's, 1930	81	..
Bay Sulph. P. & P. 6½, 1943	..	87
Belgo Can. Paper 6's, 1943	95	98
Brompton 8's, 1941	108	109½
Black Lake Asbestos, 1943	..	21
Belding Corticelli 5's, 1936	85	..
Brandram Henderson 6's 1936	94	96½
Brandram Henderson 6's, 1939	89	91½
Burns P., 6½, 1943	..	..
Calgary Power 5's, 1940	72	75
Can. Light & P. 5's, 1949	74	76
Can. Machinery 6's, 1940	75	79
Can. Paperboard 7's, 1941	90	94
Can. Salt 7's, 1941	100	102
Can. Salt 6's, 1934	98	..
Can. Starch 6's, 1930	87	90
Can. Starch 6's, 1934	98	..
Can. Steam 7's, 1942	93¼	96
Can. Steam 5's, 1943	..	76½
Can. Tung. Lamp 7's, 1935	96	98
Dom. Power Trans. 5's, 1932	89½	92
Dom. Sewer Pipe 5's, 1927	97	..
Drummond Inv. 6¼, 1938	..	97
Dunlop Tire 6's, 1927	99¼	—
Dom. Iron 5's, 1939	68½	72
Eastern Car. 6's, 1952	88	91½
Fraser 8's, 1941	102½	104
Gordon Ironside & Fare 6's	..	25
Harris Abbattoir 6's, 1926	99¼	..
Howard Smith 7's, 1941	98¾	100
Int. Milling 6's, 1930	96½	..
K. & S. Tire 7's 1935	81	84
Loew's Toronto 6's, 1934	87½	90
Loew's Toronto 8's, 1926	93	95
Lake Sup. Paper 6's, 1931	103	104½
Manitoba Power 7's, 1941	98½	100
Massey Harris 8%, 1930	..	..
Mattagami Pulp 7% deb.	..	32
Mattagami Pulp 6's, 1927	64	67
Mercury Mills 6¼, 1942	92	94¼
Montreal W. & P. 5's, 1932	80	81¾
Morrow Screw 6's, 1931	..	..
Neilson, Wm., 6's, 1933	97	..
North. Ont. L. & P. 6's, 1931	89½	91
Nova Scotia Steel 6% deb.	..	80
Ont. Pulp 6's, 1931	103	104½
Pedlar People 8's, 1930	100	..
Robt. Simpson 5's, 1952	86	..
South Can. Power 6's, 1948	98	99¼
Spanish River 6's, 1931	103	104¼
Spanish River 8's, 1941	105	106½
St. Maurice Power 6¼, 1953	101¾	103
Toronto Paper 6's, 1942	96	..
Toronto Power 5's, 1924	99—	100
Walmsley, Chas., 6's, 1943	..	97
Whalen Pulp 7% deb.	..	25
Whalen Pulp 6's, 1930	..	70
Winnipeg Electric 5's, 1935	88½	91
Western Power 5's, 1949	..	..

BOND MOVEMENTS OF THE WEEK

Week Ending December 11.

BONDS—	Int. Rate	Due Year	Yield	Range High	1922 Low	Range 1923 High	Low	Latest Price Ask	Bid	High	Low
Asbestos	5	1942	7.00	100	76	90	79	79	—	79	—
Canada Bread	6	1941	6.06	99	98½	100	96	99	98¼	99	98¼
Can. Car	6	1939	6.00	101	95	100½	99	—	99	100	—
Can. Cement	6	1929	5.30	100½	94	103½	100	—	102½	103½	—
Calgary Power	5	1940	7.75	72¼	72¼	74	74	74	—	74	—
Ced. Rapids	5	1953	5.30	97½	93	98½	93	97	95⅛	95½	—
Can. Locomotive	6	1951	6.26	100½	99	99	96	98	96	96½	96
Dom. Coal	5	1940	5.60	98¼	92	98	92	—	93½	93½	—
Dom. Textile (A)	6	1925	5.85	101	97¼	100⅞	99¾	—	100½	100¼	—
Do., (C)	6	1925	6.00	101	97¼	100½	100	—	100½	100½	—
Do., (D)	6	1925	5.70	101	97½	100½	100	—	100½	100½	—
Montreal Trams	5	1941	6.00	93½	97¼	100½	100	—	100½	100	—
Penman's	5	1926	6.65	94¾	90	97	93¾	—	95½	95½	—
Quebec Rly.	5	1939	6.85	87¼	65½	83½	68	82½	80	82	81¼
Sao Paulo	5	1929	7.95	91½	80	90¼	86	86½	85½	86	—
Sher. Williams	6	1941	5.90	100	96	102½	99	101½	99⅛	101	—
Wayagamack	6	1951	8.10	88¾	71¾	86¾	75	—	75	75½	75¼
War Loan	5	1925	4.90	96.30	96.10	100.95	99.10	100.30	100.20	100.10	100.00
Do.	5	1931	4.94	99.60	96.25	101.80	99.80	100.50	100.40	100.40	100.00
Do.	5	1937	4.77	101.50	99.50	103.30	102.00	102.40	102.30	102.80	102.35
Victory Loan	5½	1924	5.29	100.75	99.80	101.65	98.80	100.30	100.20	100.10	100.00
Do.	5½	1927	4.89	102.70	99.70	103.50	101.60	102.30	102.20	102.05	101.60
Do.	5½	1933	4.87	104.35	101.25	106.70	104.15	105.05	104.95	105.10	104.90
Do.	5½	1934	5.25	101.35	98.30	103.90	101.30	102.15	102.05	102.30	102.00
Do.	5½	1937	4.80	106.85	103.00	108.45	106.25	107.20	107.10	107.30	107.00
Do., Renewal	5½	1927	5.25	101.10	99.40	102.80	100.75	.....	100.90	101.10	100.80
Do., Renewal	5½	1932	5.30	101.00	99.70	103.15	100.80	101.50	101.40	101.70	101.25
Do., Refund	5	1928	5.21	.....	.....	99.70	98.80	99.20	99.10	99.45	99.20
Do., Refund	5	1943	5.18	.....	.....	99.25	97.90	98.50	98.40	98.50	98.25

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Some Taxation Fallacies

By A. B. BARKER.

In one of Shaw's most popular plays, Caesar is made to say that the chief business of a conqueror is to collect taxes. However conquerors are not under the necessity of considering the feelings of the taxpayers, and in this respect their task is easier than that of the ordinary government which obtains its authority from those who pay the taxes. At the present time in order to meet the increased expenditure due to the war, the statesmen of every country are considering eagerly every possible source of taxation. This means of course that increasing numbers will become painfully aware that it costs money to run a country, and that the methods by which men were able to dodge payment of their share are becoming less effective.

The essential of a statesman is to be convinced, and to be able to convince others, that he and his side are the only ones competent to administer the affairs of the country, and as statesmen are only human it is obvious that, in choosing new taxes, they will select those which promise to bear most lightly on those friendly to the administration, or on those who have the greatest number of votes.

In Canada for several years we have had the Federal income tax on firms, corporations and individuals, and each year since its inception the machinery for operating the system has grown more ponderous and consequently more expensive. If everyone was willing to contribute his fair share much of this would be unnecessary, but human nature is the same everywhere, and there are few who will not dodge if given an opportunity. The general attitude towards dodging taxes is almost identical with that towards smuggling. Men who would not actively engage in smuggling will not hesitate to buy smuggled goods, if the price is right; and they have no scruples about it. In the old days in England the smugglers used to refer to themselves as "honest men" and their customers included all classes, saints as well as sinners, just as to-day in Canada and the United States many good and great men do not hesitate to avail themselves of the friendly offices of the bootlegger when necessary.

There is no denying the heavy expense entailed in the operation of the present income tax law, and there are numerous suggestions as to how it could be avoided. Some advocate a sales tax, but this would also require an army of inspectors to enforce, as there is no reason to believe that if left to themselves people would be any more honest in reporting the correct amount of this tax than of the present one.

The single taxers we always have with us, and theoretically there may be a good deal in that system. The trouble about it is that theory and practice do not always jibe in real life, and in this particular theory, where it has been attempted to put it in practice, the results have been so disappointing as to discourage any but the most wildly enthusiastic supporters, who as a rule live far from the scene of experiment. The latest proposal is a tax on bank deposits, or as our advocate puts it, "Cancel the present system, and substitute only one medium and that the Dollar."

His idea is to collect a tax on deposits each month as the accounts in the bank are balanced, and his estimate of the probable yield is interesting if not convincing. He takes the total clearings for 1922, amounting to $16,235,000,000 and assumes that only one kind of a bank's exchanges passes through the clearing house, so that according to his figuring the amount deposited in the banks during the year would amount altogether to $48,716,000,000. He then estimates that, if these dollars change hands only twice a day for 300 days, the total turnover would be $29,229,905,000,000. The total foreign trade of the Dominion for the twelve months ending 30 September last amounted to less than $2,000,000,000 or about 8 per cent. of the thousandth part of this estimated turnover, but when working out a theory why worry about trifles.

How this turnover is to be obtained is not indicated, but the author estimates that by a tax of only a fifth of a mill, which is modest enough, the annual collection would be $5,845,981,058. For fear the public might think this too optimistic he cuts it in half, leaving a total estimated yearly revenue of $2,922,990,529 from this tax on bank deposits.

According to the Government returns for September 30, 1923, the total deposits in Canadian banks in Canada amounted to $1,700,754,367 or 60 per cent. of the estimated revenue and this it must be admitted would be a marvelous result.

Education a Cause of Heavy Taxation

From Our Own Correspondent.

REGINA.—Stock-taking very properly precedes the civic campaigns in Canada and the cities of Saskatchewan, as well as the rural municipalities and provincial government, have apparently in the main succeeded in keeping down expenses and practising a policy of strict economy.

One item alone continues to swell from year to year apparently beyond the power of any body or board to control, and that is the cost of education. From coast to coast the rapidly rising cost of education is alarming the most patient and public-spirited taxpayer. In Manitoba a large number of schools are closed, and while practically all the schools in Saskatchewan are open there is much anxiety at the increasing load the ratepayers have to bear for school purposes, even although there is evident a firm determination to secure the best education possible for the children of the province, regardless of the cost.

The city council of Saskatoon recently passed a resolution:

"That the recommendation of the city commissioner respecting the placing of capital and current expenditures of school boards under the control of city councils be adopted, and that his worship the mayor be instructed to communicate with the different cities in the province in this regard."

It is asserted by the mayor of Saskatoon that where there is a strong demand for economy by the taxpayers, the individual members of the council heed to a greater extent this demand than do the members of the three school boards.

The town of Yorkton, which is large enough to be a city, but prefers to be a town, in submitting the financial statement for the past ten months to the ratepayers of the town, dealt at some length with the rising cost of education.

While showing a reduction in the levy for the present year of over $6,900, the mayor's report stated:

"The question of the cost of education as reflected in the tax rate is also being seriously discussed by the municipal authorities and citizens from coast to coast, and in this connection it may be mentioned that the requirements of the public schools from the tax levy have increased from $27,088 in 1913 to $65,300 in 1923, an increase of 141 per cent., and the collegiate from $17,752 in 1913, to $28,272 in 1923, an increase of 59.3 per cent. whilst the amount for town purposes is practically the same (as a matter of fact a few dollars less) as in 1913."

CIVIC AND PROVINCIAL FINANCE

COMPARISONS BY PERCENTAGES ARE BEST IN REPORTS

Statistics Based on Wrong Premises Confuse the Reader

By H. L. CORBETT,
City Treasurer, Ottawa.

When giving statistical information there is no better method—for comparative purposes—than that of percentages of increase or decrease; but the figures to be of any value must be consistent with facts.

Per capita debt, per capita assessment, or per capita tax rate, do not mean much, if anything, unless an explanation follows the figures. The population is usually based on all residents of the municipality—both male and female—whereas only adults have any earning power to pay the tax rate. Any per capita figures, based on this assumption, are futile for comparative purposes within the municipality; per capita figures for those who pay the taxes would appear to be nearer the truth.

Dividing the debt, assessment, or tax rate, by the total population, to show the per capita cost for each, answers the purpose for comparing the same ratio with other municipalities.

The inconsistency of statistics based on wrong premises is shown when the tax revenue is divided by the total population to give the tax rate per capita. Any taxpayer who figured up the tax bill on such a basis, as constituting his contribution to the civic exchequer, would be greatly surprised when he received his regular tax bill from the tax collector. He would find his tax rate based on assessed values, or on $1,000 values of his property.

When asking for municipal figures one should be careful to state how they are to be used. Unless some explanation accompanies the request, information necessary to correct statistical method is likely to be withheld. This has a tendency to make some very misleading statements.

For the purpose of showing unit costs for each service, percentage figures of increase or decrease are invaluable. The wonder is that more municipal officials do not avail themselves of this very useful way of presenting facts. Statistics prepared along these lines for each municipality would be interesting information for council men.

While unit cost per mile may be used as a basis for statistical method for streets, cost per patient per day is applicable to such institutions as hospitals. Unit cost per square foot or yard for pavements or sidewalks would be proper; but always use cost per pupil for education, or cost per consumer for water or electric light. I could mention other services, but sufficient has been elucidated to show the intent and purpose for which such information is used.

The growth of Ottawa's population, as shown in the following table, illustrates the advantage of percentage statistics:

Year	Population	Per cent. increase or decrease
1911	90,250	+5.13
1912	95,570	+5.58
1913	100,180	+4.82
1914	101,795	+1.61
1915	100,163	—1.63
1916	100,561	+ .40
1917	101,549	+ .98
1918	104,007	+2.42
1919	107,732	+3.58
1920	110,738	+2.79
1921	112,899	+1.95
1922	116,205	+2.93

The total increase over the period of twelve years is 30.56 per cent. Unless one views the annual increases it will not be known that the ratio of annual increase before the war of 1914 was greater than the annual increase since.

It is easy to keep account for all moneys expended from debenture loans; but the task of keeping within the estimates for current expenditure calls for more than ordinary vigilance at all periods of the year. The amount spent on materials and supplies may vary as to requirements, one year with another, so that any monthly or periodical division of the yearly estimates, for comparison one year with another, as the money is being expended, becomes a meaningless mass of figures to the council man unacquainted with the foregoing facts. Experiencing this difficulty and how to overcome it I discovered that instead of comparing monthly or periodical portions of the appropriation it would be less confusing if percentages were shown. In this way any great variation from the previous year up to any period mentioned on the current year could be enquired into.

Take for instance charity account of the city of Ottawa. In 1922 the total expenditure was $46,881.86, amount spent up to Oct. 31, $36,767.95, or 78.43 per cent. In 1923 the estimate for this account was $50,000 of which $35,359.30, or 79.72 per cent. was expended up to Oct. 31. This shows that the department is living within its estimate up to this period of the year. If the 1923 percentage was greater than the 1922 percentage, enquiry would be in order to find out the reason why. The greater increase up to any period may be necessitated by advance purchases, or credits due from other departments to be accounted for.

Within the last decade, the fund ledger, for keeping account of commitments against appropriations, has been heralded as the watchdog on overdrafts; but with all due respect to its excellent behaviour some departments will, unless otherwise watched, steal a march on it and cause an overdraft at the end of the year.

MUNICIPAL REPORTS

Prince Albert, Sask., reports a surplus for the first ten months of the year of some $24,000 on all accounts. The report called attention to the fact that there had been no borrowing on current account for 5 years in succession and that the policy of making any capital expenditure from current account has been strictly adhered to.

Swift Current is gradually getting out of its difficulties and showed a marked reduction in expenditures in the past year.

ADVANCE TIME FOR PRESENTATION OF CITY'S ESTIMATES

Calgary Board Adopts Plan of Citizens' Research League

CALGARY.—The plan advocated by the Citizens' Research League of Calgary to have city esitmates for each year presented before the close of the previous year has been adopted by the Calgary Board of Commissioners. A tentative budget of estimates for the fiscal year commencing Jan. 1, 1924, has been presented. As they were presented on April 25 last year, a noticeable advance has been attained.

Notwithstanding the additional expenditures resulting from serious floods, the 1923 administration has taken care of a deficit of almost $103,000 carried over from 1922, has effected a reduction of almost $150,000 on operating account as compared with the previous year's estimates, and expects to close the year with a net surplus. It should be noted, too, that 1923 was the first year for some time that the executive have not called upon the City Council for supplementary appropriations.

The 1924 budget is a great improvement in form over any similar document that has yet been issued by the city. In the first place it is prefaced by a complete review of the city's financial situation and explanatory treatment of the more important items in the budget proper. This review is illustrated by several charts. One, for instance, shows a steady reduction in the assessment of lands, buildings and franchise from $129,000,000 in 1914, to $59,000,000 in 1924.

Another chart shows that while the total tax rate grew from 20.75 mills in 1914 to 49.82 mills in 1923, the rate for school properties increased from 5.61 mills to 19.76, or in other words much more rapidly than did the total tax rate.

The third chart shows the increasing proportion of the total tax levy which has been collected in cash during the current year. At the present time the city collects in the current year about 75 per cent. of the levy.

Much credit is due the Citizens' Research League for its efforts in creating a greater local interest in municipal and tax questions.

The estimated controllable expenditure is $202,961.33 less than the estimated expenditure of 1922, and $147,458.37 less than for 1923, and while the uncontrollable expenses are $67,170.13 more than for 1922, and $160,789.81 over the estimated uncontrollable expenditures for 1923, the total estimated expenditure for 1924 is $135,791.20 less than that for 1922, and ony $13,331.44 more than that for 1923.

SAY IRRIGATION ACT REDUCES SALE VALUE

Penalties for Tax Arrears Work Hardship on Farmer; Seek Changes in Act

LETHBRIDGE.—Objection is being taken in Alberta to the tax collection provision of the Irrigation Act, which some maintain "imposes the same kind of harsh rules and penalties which are now arousing so much complaint against the rigorous Tax Recovery Act."

In criticizing the Act before the Calgary branch of the Engineering Institute, D. W. Hays, chief engineer of the United Irrigation District last season, said:

"Under the Irrigation Districts Act, the charges for principal, interest, operation and maintenance are deemed to be due on the 1st of January, and are in arrears with added penalty after the 31st of December of the year for which they are imposed. If not paid by the 31st of July following, the charges shall be entered in a tax enforcement return and upon confirmation by a judge of the district court, the land against which the charges have been made, shall be sold to the highest bidder prior to the first of the following January.

"The conditions are mandatory. They will impose severe financial difficulties upon the farmer who is about to undertake a new method of farming, notwithstanding his advantages in having his home already on the property and the property more or less equipped and improved.

"The combination of the existing conditions will not only retard the wholesome development of the individual farms, but also, as a result of it, will depreciate the prospects for land sales. Newcomers are generally sufficiently inquisitive to want to know how things have been going with those already on the land. They will probably not get a very favorable impression from land occupants who are burdened with excess overhead charges or the resulting appearance of farms impoverished for want of working capital."

DECLARES EXPERT IS NECESSARY IN PUBLIC SERVICES

Talk of Introducing City Manager System at Hamilton

Once again discussion on the advisability of adopting the city manager system comes up, this time in Hamilton. While it is declared that the appointment of such an offcial would make for greater continuity of government, several difficulties appear, the chief being the trouble which would be experienced in getting a really capable man for the position.

Opposition to the suggestion is voiced by Controller Treleaven, who says:

"Mayor Jutten is on the job all the time, and has had a great many years' experience in all departments of the city hall. We would get continuity of administration if we had a city manager, but I believe that if there is a competent man at the head of each department there is little need for a manager. The idea should be to put the best man at the head of each department and hold him responsible.

"It would not be possible to do away with the city council. There must always be that link between the people and the paid officials."

According to D. J. Sweeney, municipal expert, Buffalo, this form of administration had been adopted by 230 American cities. The only weakness found is that the municipality came to depend too much upon such an official, and expected him to be a community leader.

In discussing the plan at Cincinnati, recently Mr. Sweeney said:

"The day of the expert in public service has arrived. Executives are trained, not elected. Whether right or wrong, whether you will it or not the people will always elect for purposes of representation. This condition has brought forward the city manager form of government, which has become the popular charter of this day. In America to-day we have 315 cities using the city manager government—of these 230 are operating under city manager charters, the remainder having city manager government by ordinances.

"The idea that city government is wholly business is a fallacy. City government is service. There must be political leadership in your government; not politics in the sense as we know it nationally, but municipal politics concerned with community welfare and progress. The only weakness in city manager government to-day is in the fact that too many cities which have adopted it lean upon their city manager for community leadership. While it is imperative that we restrain the legislative branch from interfering with the executive, by the same token we must, with equal urgency, restrain the executive from dominating the legislative branch of government. The mayor should be the head of the legislative branch of government with power to initiate policies."

Municipality Suffers Heavy Loss in Failure

CALGARY.—The district of Blairmore, Alberta, has lost heavily in the Home Bank failure. It is stated that 427 miners, 102 women, and 69 children in the town lost their savings. The school funds also went with the bank smash, this taking not only the reserve but the current taxes which had been collected for 1923 and not expended at the time.

For carrying on the school a temporary loan was arranged by the board but the situation is so acute that an appeal has been made to the provincial government for aid.

COUNCIL CHANGES MIND

COBALT.—A change of mind on the part of three members of the Cobalt Town Council is responsible for the rescinding of the by-law passed by last year's council, by which voters were disfranchised at the municipal elections where the taxes had not been paid on property they occupied as owners or tenants.

Tenders and By-Laws

TENDERS WANTED

Dec. 24, Campbelltown.—$70,000, 5%, water debentures. John T. Reid, Town Clerk. (See announcement on page 16.)

Dec. 15, Pickering Twp.—$51,000, 5½%, 30-yr. debentures. Henry Pugh, Treasurer, Locust Hill.

Dec. 27, Metis Beach.—$80,000 of debentures of which $10,300 are 5½% annuity debentures due 1923 to 1938, and $69,700 are fifteen year bonds due 1938 and paying 5½%. A. H. McLarin, Secretary-Treasurer, Metis Beach, P.Q.

BY-LAWS TO BE VOTED ON

Jan., Fort William.—$373,000 for various purposes.

Jan., Victoria.—$150,000 for High School.

Dec. 18, Woodlea R. M., Man.—$40,000, 6%, 15-instal. debentures.

BY-LAWS PASSED OR DEFEATED

Winnipeg.—$750,000 for exhibition purposes; $875,000 for central heating plant, passed by the ratepayers; $380,000 for subway defeated.

BRITISH COLUMBIA

The following Certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates:—Oct. 24, North Vancouver, $14,500, 15-yr., 6%; Oct. 27, North Vancouver, $8,300, 10-yr. 6%; Nov. 9, North Vancouver, $5,300, 10-yr., 6%; Nov. 14, Kamloops, $3,692, 10-yr., 6%; Dec. 3, Salmon Arm, $2,600, 10-yr., 7%.

DEBENTURE NOTES

Quebec.—The city of Quebec will ask the legislature of the province at its forthcoming session for permission to borrow $1,310,432 for various purposes.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold To	Rate	Term	Amount	Price	Basis
Dec. 6	Bruce County	Nesbitt, Thomson & Co., Montreal	5½%	20-ins.	$20,000	100.56	..

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The European Steel Industries Recovering

NEW YORK.—The National Bank of Commerce refers to an increased production on the part of European steel industries by saying:

"In spite of disturbed conditions in Europe and the difficulties experienced by Continental steel plants in obtaining adequate supplies of coke, in France and Belgium the rate of steel production during 1923 has been above that of 1922, and the British industry has shown a similar improvement. British output of steel for eight months of 1923 has averaged over 70,000 tons more than the monthly average of 1913, and has been nearly 50 per cent. greater than the rate of production during 1922; Belgian production in August exceeded the previous high record rate of 1912 and showed a marked improvement over the average of recent years."

INSURANCE FOR BUYER AND SELLER

LOANS FROM LIFE COMPANIES BUILD UP RURAL PLACES

Farm Mortgage Held up as a Stabilizing Factor

Too little is known by the public of the great stake which life insurance companies have in the development o rural communities, and the success of farmers in particular. Statistics were presented by L. A. Phillips at the annual convention of the Association of Life Insurance Presidents in New York last week.

We are accustomed to hear the farm mortgage spoken of as a burden on the farmer, but Mr. Phillips presented reliable information showir that under normal conditions the mortgage is a stabilizing factor ir the farmer's operations. In the first place it provides him with additiona capital to use for productive purposes This is loaned under definite arrangements at reasonable rates of interest abrogating the necessity of uncertain current borrowings at fluctuating rates. The conditions are also favorable to the insurance companies, as Mr. Phillips pointed out:

"To them the allurements of speculative business are denied; and they are not subject to any of the exigencies peculiar to banks and like institutions in times of financial stress. They do not need to call in their loans to meet the demands of depositors. Their principal object is to keep their funds invested. They are uniformly able and willing to renew and extend the accommodation, provided only the borrower has shown a proper appreciation of his 'silent partner' by prompt payment of interest, and by proper maintenance of his farm at least to the standard of condition and value existing at the time of the mortgage."

In outlining the growth of the farm loan business of the insuranc companies in the United States, he said:

"At the close of the year 1922, the amount of life insurance farm loans had grown to more than a billion and a half. In substantiation cf my assertion as to relative importance, compare this contribution with the total of $858,000,000, reported as of the same date for the Federal Farm Loan Banks and Joint Stock Land Banks combined, which have been organized under special statutes and encouraged by the grant of special privileges for the express purpose of making such loans."

On Oct. 31 the total of farm mortgages was $636,500,000, scattered over the whole of the United States Funds of the larger companies in Canada and the United States are loaned in territory extending over many provinces and states.

The total loans on real estate reported by the life insurance companies and fraternal societies to the Dominion Superintendent of Insurance at the close of 1922 was $156,936,580 Of this, $139,566,030 came from Canadian companies, $8,760,587 from British and foreign companies operating in Canada, and $8,609,963 from fraternal societies. This total is swelled by the loans made by the life insurance companies, fraternal and benefit societies operating under the insurance departments of the various provinces.

The amount of this large investment placed in farm loans as distinct from loans in cities, towns, etc., is difficult to determine, as the policy followed by each company varies widely. That it is considerable is evidenced by the activities of the companies. During the boom period in Western Canada many companies placed money there through agents, and in some cases through their own officials stationed in the West for that purpose

With the difficulties which arose later, and the attractive yields offered on good bonds, farm loans have suffered. Yet every year investment officials from numerous companies spend much time in Western provinces inspecting properties, collecting payments, etc. The assets of companies continue to grow. investments mature from week to week new sources of investment must be found—immediately when existin loans mature. With the prospect of lower yields on bonds for some years a settlement of present difficulties by a policy of strict economy, and a writing down of values to sound levels are the only requirements necessary to attract the companies in a greater degree to real estate loans.

MARITIME LIFE TO SELL STOCK IN U.S.

From Our Own Correspondent.

HALIFAX.—The Maritime Life which will begin to write business January 1, 1924, is in a strong position for a beginner with substantial paid-up capital premium accounts.

To date the sale of stock exceeds $425,000. The canvass is now being extended to the West Indies and, at the request of business interests in Boston, papers have been filed to permit the sale of stock in the State of Massachusetts.

In Nova Scotia there are over 400 shareholders in 250 different communities. This should aid the company greatly in securing life insurance business. Many shareholders have already written in for insurance, and they constitute a substantial foundation for the success of their company.

MARITIME FOX INDUSTRY

SUMMERSIDE, P.E.I.—It is estimated that more than 500 foxes have been shipped to the United States, Ontario and Western Canada, for breeding purposes this year. There is considerable activity in the silver fox farming industry on the Island at the present time.

Several Fire Insurance Claims Disputed in N.B.

From Our Own Correspondent.

ST. JOHN, N. B.—Following the burning of the Manor House at Glen Falls, near St John, N. B., a roadside inn, the Canadian Accident and Fire Insurance Company refused to pay the amount of policy held with that company, namely, $2,500. John Jackson, the owner of the inn property, instituted legal action and the jury has allotted him the full amount. It had been alleged that the fire had been set deliberately. In addition the company claimed the inn had been used for illegal purposes such as selling liquor.

The case was one of the most interesting in the Maritime provinces courts affecting insurance. In spite of the fact that two witnesses testified to suspicious circumstances attending the discovery of the fire, six of the seven jurors decided that the inn was not a bootlegging rendezvous.

This marks the increased resistance of companies to paying claims, where they believe blame can be placed on the owner of the insured property. In New Brunswick alone, six claims have been taken into court because the companies refused to pay the amount of policies. Most of the cases have followed fires that destroyed lumber and lumber mills. Decisions have been given against the insurance companies, and several appeals are pending.

JUDGMENT SCORES CLAIMANT IN FIRE INSURANCE ACTION

Court Upholds Fire Companies—Fires Were Not Accidental

A stern warning to the property owner who wilfully or negligently conspires to have his premises bur in order to collect fire insurance was administered by Mr. Justice Lennox in a judgment on an action brought by Leveys & Leveys, Ltd., boots and shoes, St. Catharines. The claim against the St. Paul Fire & Marine Insurance Co., the Century Insurance Co., and the General Fire Association Co., of Paris, for $14,000, covering a loss sustained in a fire on Jan. 2, 1923 was dismissed. In his judgment, his lordship said:

"That the insured knowingly, falsely and fraudulently overvalued and misrepresented the stock in the store at the time of the fire and the amount of the loss sustained.

"Among other things, knowingly, falsely and fraudulently stated and misrepresented how the fire originated, the value of the goods in stock, and the loss sustained in the statutory declaration already referred to.

"That the fourth defense, the alleged known insecurity of the stove, although sworn to by Leo Leveys, fails. The evidence is overwhelmingly the other way; and, if it were not so, I still could not act upon the uncorroborated evidence of Leo Leveys as to any important fact, even if speaking to the prejudice of his company.

Fires Not Accidental

"I fully realize the gravity of the final finding I have to make.

"I find that neither the incipient fire of Saturday night, nor the destructive fire on Tuesday morning, was accidental. These two happenings cannot be divorced. The circumstances are too meaningful.

"I find that there is no escape from the conclusion that the hand that by himself or his agent unscrewed the gas pipe and kindled the gas on Saturday night, was the hand that actually turned on the gas through an open pipe and set it aflame on Tuesday morning. In other words, I must find, upon the evidence, that Leo Leveys, the general manager of the plaintiff company and in possession and control of the stock and premises, intentionally, wrongfully and fraudulently set fire to the stock-in-trade in question."

The decision given in this case may encourage other companies to resist similar claims, as many officials feel that the reluctance shown in the past to such resistance is partly responsible for the frequency of irregular claims. The position of a company is not an easy one. In the first place, it may be placed on a risk by a local agent. The insured may have been a resident of the district for a short period only, and his reputation may be good, so far as the agent knows; but his previous history may be extremely damaging. Yet a fire occurs before the company can cancel the policy. To resist the claim for damages involves two dangers. The agents of other companies may make use of it to secure business in competition, as purchasers of insurance desire the prompt payment of claims. In addition, the burden of proof that the fire was not due to ordinary causes lies with the insurance company. It is often difficult and at times impossible to prove this.

As a result, the companies frequently attempt a compromise to avoid adverse publicity, a policy which does not make for a reduction of unnecessary losses. On the contrary a definite resistance in all cases, where the facts may be established, with the accompanying warning to others, would seem to be the most effective course in the end.

TO EXCHANGE BULLETINS

The recent conference at St. Louis of the insurance advertisers, has brought about a feeling that there should be a greater interchange of insurance advertising methods and practices, apart from the actual exchange made possible at the meetings which are held twice yearly.

Plans are being considered to exchange bulletins, house organs, etc., through the mails, and a regular bulletin service may be started by the educational committee.

COLONIAL MARINE SOUGHT BUSINESS AROUND MONTREAL

Company That Operated Without License Now Out of Business

MONTREAL.—Canada's insurance laws are as strict as any in the world yet for a period of some months an insurance company attempted to operate in Canada without even a license from the Dominion government and in contravention of its own charter which forbade it to write insurance. This is the amazing story that has come to light as a result of the warning issued by the Department of Insurance at Ottawa advising that the "Colonial Marine Underwriters" had no authority to write insurance. This warning was given to the public in last week's issue of THE FINANCIAL POST.

Colonial Marine Underwriters never had an office in Canada, although it issued pretty leaflets giving its office as Board of Trade Building, Montreal. This was about a year and a half ago. The semblance of truth in this address was the fact that desk room was rented in an office in the Board of Trade Building, and the secretary of the company, Paul E. Barden, used this office as his Canadian headquarters whenever he came to Canada. The chief office of the company was evidently in New York, but the visits to Canada were quite frequent. Insurance brokers in Montreal tell of numerous visits from Mr. Barden with propositions for re-insurance and other risks. Once he asked a leading firm of underwriters to arrange the re-insurance of a policy on about 200 Greek vessels. In doing so he indicated, according to insurance people locally, an ignorance of his subject, for at that time Greek boats were disappearing every day under suspicious circumstances, and most of the marine underwriters were trying to get from under their Greek risks.

Did It Write In Canada?

There is no evidence that the company actually wrote any insurance business in Montreal, although it is stated that some policies were written on fishing schooners in Nova Scotia. B. L. Rafuse, president of the Joseph McGill Shipbuilding and Transportation Company of Bridgewater, N. S., is one of the names among the directors shown on the financial statement published at the time the company had desk room in the Board of Trade Building. The other directors, according to the circular, were as follows:

President: F. Lucien Dim, president of Vreeland Press Inc., New York.

Vice-president: Leslie Frame, director of Farmers and Merchants Bank, New York.

Secretary: Paul E. Barden.

Treasurer: J. L. Moore, vice-president of J. L. Moore & Co., Inc., New York.

Directors: Richard B. Parrish, Bluefield National Bank, Bluefield, West Virginia; B. L. Rafuse, Bridgewater, N. S.

Finances Not Strong

A financial statement was also given which indicated total assets of $124,000, while the liabilities included only $10,000 as underwriting surplus and reserve. Such sums are pitifully small for the carrying on of an insurance business. No company could get an insurance license in New York state, where most of the directors resided, with any such financial resources, and the Canadian department of insurance would not allow a company to start out without about three times the assets that this group of would-be insurance people had.

Moreover the company never had authority to write insurance. Their incorporation was under the Dominion Companies Act, and had the usual clause in charters issued under that Act, providing that the company was not entitled to write insurance.

Whether the company ever actually wrote business in Canada or not there is evidence aplenty that they wrote marine and fire risks outside of Canada. The business, it appears, was written in Shanghai and other parts of China. Canadian and British companies have a high reputation in the Orient, and it is suggested that the company was operating there to take advantage of this reputation. Later claims that became due were not met, and the company's agents became suspicious and their investigations brought the company into the light.

Information concerning the company is hard to get. THE FINANCIAL POST was assured by a solicitor who has had some connection with its affairs that it is not writing business now and is out of business entirely. But how it stayed in business so long as it did, entirely ignoring Canadian insurance laws, is a mystery that is puzzling insurance men.

INSURANCE LICENSES

The following licenses have been issued by the Department of Insurance, Ottawa:

The Fidelity Insurance Co. of Canada, to write accident, automobile, burglary, guarantee, plate glass and sickness insurance; the Hartford Fire Insurance Co. to issue aviation insurance; the Mercantile Fire Insurance Co., the Motor Union Insurance Co., and the United British Insurance Co., to write sprinkler leakage insurance in addition to the classes for which they are already licensed; the Liverpool and London and Globe Insurance Co., to issue tornado insurance.

AGRICULTURE IN P. E. I.

CHARLOTTETOWN. — A survey of the agricultural resources of the province recently conducted by the Provincial Government gives the following figures for 1923 Field crops, $19,250,000; live stock, $8,150,000; dairy products and eggs, $1,753,000; fisheries, $1,600,000; foxes, $1,000,000.

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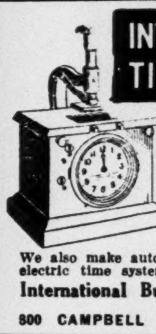

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Gives Warning Against Unnecessary Xmas Fires

Some needful advice to avoid fires through Xmas activities is given by the current Federal Magnet. It says:

M ake your Christmas happy by making it safe.
E xtra precautions should be taken with Christmas decorations.
R uin is invited to your home by a little carelessness.
R emember that Christmas decorations burn with terrifying swiftness.
Y ou cannot afford to take any chances.

C otton wool should not enter into your Christmas decorations.
H ighly inflammable decorations are the greatest source of danger.
R emove all Christmas trees and greens within two days.
I lluminate your tree by electric lights —never candles.
S ee that the electric wiring in your tree is in perfect condition.
T issue-paper has caused many fires at Christmas time.
M aterials for Santa Claus garments should be chemically "fire-proofed."
A ccidents, serious and fatal, are caused every year by Christmas fires.
S tudy these precautions and follow them. You will never regret it.

SUGAR BEETS IN ALBERTA

RAYMOND.—The test of sugar beet growing in the southern part of the province proved beyond a doubt that there is good money to be made in that line. The Utah-Idaho Sugar Company, which has been making tests of beets grown here, state that if sufficient acreage can be secured that a large sugar beet factory will be established near Raymond in the next year or so.

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Retail Prices Showed Increase in November

OTTAWA.—Retail prices throughout Canada for November showed a very slight average advance over the previous month as also an increase over the average for a year ago.

The cost of the family budget of 29 staple foods for an average family of five in some 60 Canadian cities was $10.69 at the beginning of November as compared with $10.65 for October. In November of 1922 these foods cost $10.25; two years ago the cost was $11.08. When prices were at the peak, in June of 1920, the budget cost $16.92, whereas in November of 1914 the cost was $7.96.

CANADIANS RICH; NATIONAL WEALTH ESTIMATE SHOWS

Dr. Coats Puts Figure at $22,000,000,000 for 1920

From Our Own Correspondent

Dr. R. H. Coats, the Dominion statistican, has made an estimate of the national wealth of Canada as of the year 1920, and the estimate arrived at is close to $22,500,000,000. The year 1920 was one of high values, values now recognized as inflated, and any estimate of Canadian national wealth at the present time, if based upon the 1920 figures, would require considerable revision. This is indicated by the fact that Dr. Coats had already made a preliminary estimate of the wealth of Canada as in the year 1921 which showed the value of our natural developed wealth to be $17,200,000,000. The present estimate is much more complete, and there is no reason to assume that in the fall values between 1920 and 1921 the national wealth was reduced by any sum so great as the five billion dollars difference between the two figures.

As Dr. Coats rightfully points out "It must be understood that statistics of this character are suggestive and indicative rather than strictly accurate. The concept of wealth is distinctly intangible, and there are numerous elements of uncertainty in a calculation of this nature. The footnotes to the table will show the method in which the various items are arrived at."

How Figures Determined

There are several methods of computing national wealth, i.e., the aggregate value of property within the nation—apart from undeveloped natural resources. Perhaps the most familiar of these methods is that of working back to capital values through income tax returns; this can be applied only in countries where incomes are thoroughly appraised. A second method is that of estimation from probate returns, the value of the estates of deceased persons being regarded as representative. A third is that of a complete census, based upon a canvass of the individual. In the accompanying table a fourth method, namely, the so-called "inventory" method is employed; it consists in totalling the amounts known from various sources to be invested in agriculture, manufactures, dwellings, etc.

The figures just compiled are shown below and for purposes of comparisons the figures from the Coats' preliminary estimate for 1921 are also shown. Allowance must be made for the fact that most of the 1921 figures are hurried estimates only:

Estimated National Wealth of Canada

	1920	1921
Farm Values	$ 6,592,351,789	$ 5,434,799,000
Mines	559,514,154	} 1,200,000,000
Forests	1,244,343,100	
Fisheries	29,893,213	50,405,000
Elec. Stations....	518,997,000	not included
Railways	2,868,000,000	2,687,000,000
Canals	136,942,734	137,000,000
Shipping	100,000,000	200,000,000
Telegraphs	175,000,000	191,000,000
Urban Property	5,944,000,000	4,115,050,000
Machinery	583,328,516	666,835,335
Mater'ls & Goods	1,316,000,000	789,513,000
Stored Products	400,000,000	500,000,000
Furnishings, Etc.	1,144,000,00	800,000,000
Specie	202,010,106	193,603,304
Import'd Merch'dise	668,460,510	250,000,000
Estim't'd National Wealth	$22,482,841,122	$17,215,205,639

Will Advance Money on Dominion Savings Assets

The Trusts and Guarantee Co., Toronto, will have charge of realizing on the remaining assets of the Dominion Savings and Investment Society, London, as the result of a judgment given at Osgoode Hall last week. The judge stated:

"The creditors have been paid in full, but there is a considerable balance, about $250,000, due to the Huron and Erie Mortgage Corporation.

"The assets yet remaining are: first, a large building in London, estimated to be worth more than $250,000; secondly, a large block of stock in the Northern Life Insurance Co. of very considerable but uncertain value; thirdly, uncollected mortgages and other claims."

Those interested in the company have arranged with a large financial institution to advance the major portion of the money required to pay off the Huron and Erie, upon the security of the office building, and the Trusts and Guarantee Company will advance the remainder of the money upon the other property being conveyed to them as trustees, provided an examination shows the assets to be sufficient, that company waiting for reimbursement until securities can be advantageously realized.

Division of City's Bank Deposits is Safe Course

The city of Toronto's policy of spreading its deposits among the various banks doing business in Toronto has perhaps saved it from the heavy losses of some municipalities which had all their available funds in the defunct Home Bank. According to Finance Commissioner Ross, the city's deposit in that bank when it closed was $279,520, as compared with $1,155,000 a year earlier. The collection of the second instalment of taxes had caused an increase from $173,000 since July. The deposit is only a small portion of the total deposits at the time, amounting to $10,500,000.

The city council of Toronto has found itself so opposed to the proposed single tax measure that it unanimously adopted a resolution opposing the by-law. It went further in empowering the Board of Control to take steps to educate the public on the features of the measure.

After much consideration, the petition has been found to have the required number of signatures and must be submitted to a vote of the ratepayers.

Canada Near Front In Use of 'Phone

MONTREAL.—Next to the United States, Canada is the most "telephonized" country in the world. We have 10.2 telephones for every 100 people in the country, and the United States 12.7 per 100. The next country is Germany with 8.85 telephones per 100 people.

Canada has 902,090 telephones, of which 709,273 are operated by privately-owned companies, and 192,817 by government-owned companies. The United States has 13,785,183 telephones, and only that country, Germany with 1,945,601 telephones and Great Britain, with 997,805 telephones, rank ahead of Canada as to total number.

Three Canadian cities rank well up in the list as being well equipped with telephones. Toronto has 101,452 telephones, or 17.8 per 100 people; Ottawa had 24,996 telephones, or 15.7 per 100, and Montreal has 83,917 telephones, or 10 per 100 of population.

Toronto ranks sixth in the world as a "telephonized" city, the record of the seven leading cities of the world being:

	Telephones per 100 people
Minneapolis	23.4
Los Angeles	22.9
Denver	22.
Chicago	21.6
Washington	21.4
Toronto	17.8

FLOUR MILLS MAY MAKE MONEY IN 1924

Export Shipments are Now Being Made on a Profitable Basis

From Our Own Correspondent.

MONTREAL.—It will be pleasant news to the shareholders of the various milling companies to learn that the various companies expect to make more money out of their export shipments this year than during the year 1922-23. The companies accepted business at cost and in many cases at less than cost during the milling year that ended August 31 last, but one result has been the extension of Canadian flour exports to many countries that had never previously consumed Canadian flour. The high quality of the product is expected to sustain this foreign trade and prices this year have been on a basis that is more favorable to the millers.

Domestic trade continues fair and is free from the price-cutting competition that marked sales some months ago.

Should another 15 cents be added to the American tariff on Canadian wheat the price of flour in the United States would probably be increased because the American millers find they must have a certain amount of Canadian wheat to mix with their own wheat if they are to turn out a high grade of flour. The export price of American flour would hardly be affected, for there would be a drawback on the amount of duty paid on the Canadian wheat when exported as flour.

C.N.R. OPERATING RATIO LOWERED; NET INCREASED

American Lines Continued to Bring the Profits in September

From Our Own Correspondent.

MONTREAL.—During September the Grand Trunk line through the United States to Chicago continued to provide the bulk of the increased net revenues of the Canadian National Railways. For the first three-quarters of the year the Canadian National lines had net operating revenues of $6,857,816, as against $527,314 in the first nine months of 1922. The Canadian Pacific Railway's net revenues declined from $19,435,331 to $17,858,896 in that period.

The summary for both lines for the first three-quarters of the year is as follows:

SUMMARY.—CANADIAN NATIONAL

For Nine Months	1923	1922
Operating Revenues		
Can. lines	$152,590,794	$141,833,133
U. S. lines	28,967,436	22,549,212
Total	181,558,230	164,382,345
Operating Expenses		
Can. lines	$152,517,013	$145,080,359
U. S. lines	22,183,401	18,774,679
Total	174,700,415	163,855,031
Net Operating Revenue		
Can. lines	$ 73,780	Dr. 3,247,219
U. S. lines	6,784,035	3,774,533
Total	6,857,815	527,313
CANADIAN PACIFIC		
Oper. revenues	$130,893,960	$126,527,404
Oper. expenses	113,035,063	107,092,037
Net oper. rev.	17,858,896	19,435.331

Thus the Canadian National's Canadian lines in the period had a ratio of operating expenses to total revenues of 99.5 per cent., as compared with an operating ratio in 1922 of 102.29 per cent. The American line of the C. N. R. had an operating ratio of 76.8 per cent., and the operating ratio for the whole system was 96.22 per cent., a considerable improvement from the 1922 figure of 99.68 per cent.

Canadian Pacific Railways had an operating ratio during the period of 86.34 per cent., an increase from the 1922 figure of 84.64 per cent.

WOULD REJECT OFFER

Steel Shareholders Told Protective Trust Association is Their Best Chance

Those active in the pushing of the L. R. Steel Shareholders Protective Trust Association are opposing the movement to sell the assets of the Steel enterprises to New Yorkers for $1,600,000. They are contending that the assets are worth $5,000,000, with $1,600,000 liabilities. They are also warning of a movement to buy up creditors' claims for 25 cents on the dollar. Shareholders, who number 60,000 in Canada, are being told that their best chance lies in taking the affairs out of the hands of the receivers by putting up the funds for the Protective Trust Association.

Building Decline for Eleven Months Totals Over $11,000,000

Building permits issued in Eastern Canada during November fell off materially, while the West, which has been running behind steadily, came through with an increase, slight though it was.

The decline in the Eastern cities was almost general and was just a little under the total decline in building in the East for the eleven-month period. The West's decline in the earlier part of the year, however makes the eleven-month decrease a large one, over $11,000,000.

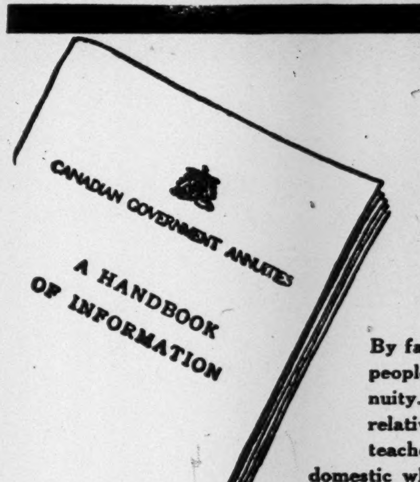
Coke ovens for the Winnipeg Railway Co., $300,000, and a large $270,000 apartment house in Vancouver were responsible for the good showing of the West in November. Large Eastern permits included a new Hotel Dieu hospital at Montreal, $165,000 and a new $90 000 school at Hamilton.

The figures:

BUILDING PERMITS ISSUED IN NOVEMBER

Eastern Cities

	Nov., 1923	Nov., 1922	Change	11 months 1923	1922	Change
Maritimes—						
Halifax	$ 29,642	$ 55,580	—$ 25,938	$ 361,619	$ 1,717,632	—$ 1,356,013
Moncton	6,190	4,735	+ 1,455	350,011	1,020,511	— 670,500
St. John	10,600	47,000	— 36,400	349,000	697,100	— 348,100
Sydney	21,700	24,826	— 3,126	327,677	539,297	— 211,620
Quebec—						
Montreal	1,862,214	1,675,370	+ 186,844	25,345,338	19,120,646	+ 6,224,692
Quebec	561,000	243,420	+ 317,580	4,698,123	4,202,811	+ 495,312
Sherbrooke	64,000	15,000	+ 49,000	725,300	705,000	+ 20,300
Westmount	10,450	56,742	— 46,292	1,875,482	1,677,932	+ 197,550
Ontario—						
Brantford	25,202	11,955	+ 13,247	606,001	456,010	+ 149,991
Chatham	11,822	7,676	+ 4,146	235,867	321,867	— 86,000
Fort William	5,925	456,300	— 450,375	1,154,600	1,438,685	— 284,085
Galt	2,825	8,978	— 6,153	128,631	410,818	— 282,187
Hamilton	337,550	337,525	+ 25	5,267,180	4,759,405	+ 507,775
Kingston	2,300	297,169	— 294,869	629,886	696,835	— 66,949
Kitchener	60,075	446,872	— 386,797	1,852,027	2,415,651	— 563,624
London	163,600	165,875	— 2,275	3,171,260	2,471,330	+ 699,930
Oshawa	52,560	22,100	+ 30,460	1,584,865	1,130,130	+ 454,735
Ottawa	190,440	330,980	— 140,540	3,124,117	4,889,687	— 1,765,570
Peterboro	12,855	11,678	+ 1,177	280,562	437,329	— 156,767
Port Arthur	2,681	5,790	— 3,109	2,635,236	1,015,799	+ 1,619,437
Sarnia	21,015	77,770	— 56,755	748,260	829,985	— 81,725
Sault Ste. Marie	10,348	700	+ 9,648	398,122	587,038	— 188,916
Smiths Falls	....	4,600	— 4,600	40,305	88,760	— 48,455
St. Cath'nes	28,676	70,550	— 41,874	753,028	1,277,376	— 524,348
St. Thomas	14,230	11,337	+ 2,893	326,589	204,639	+ 121,950
Stratford	39,230	10,481	+ 28,749	506,552	689,502	— 182,950
Toronto	2,013,513	3,213,307	— 1,199,794	28,620,772	33,396,040	— 4,775,268
Windsor	304,415	276,840	+ 27,575	4,560,859	4,022,460	+ 538,399
Woodstock	19,263	9,818	+ 9,445	305,428	222,818	+ 82,610
York Twp.	606,150	794,800	— 188,650	8,537,150	10,795,200	— 2,258,050
Total 30 E. cities	$6,490,471	$8,695,794	—$2,205,323	$ 99,499,847	$102,238,293	—$ 2,738,446
Western Cities						
Manitoba—						
Brandon	$ 4,200	$ 4,037	+$ 163	$ 179,536	$ 225,027	—$ 45,491
St. Boniface	18,400	12,600	+ 5,800	503,378	543,413	— 39,935
Winnipeg	434,250	211,850	+ 222,400	4,446,150	6,838,400	— 2,392,250
Alberta—						
Calgary	27,500	103,800	— 76,300	815,640	1,808,000	— 992,360
Edmonton	35,750	350,879	— 315,129	1,472,705	2,215,109	— 742,404
Lethbridge	7,690	45,945	— 38,255	240,980	213,595	+ 27,385
Medicine Hat	3,835	1,000	+ 2,835	28,907	13,700	+ 15,207
Saskatchewan—						
Regina	19,775	48,355	— 28,580	1,255,180	1,771,054	— 515,874
Saskatoon	40,275	49,695	— 9,420	848,748	1,797,759	— 949,011
Weyburn	....	900	— 900	18,655	48,985	— 30,330
Yorkton	1,275	2,200	— 925	47,945	135,075	— 87,130
British Columbia—						
Kamloops	2,715	3,175	— 460	100,678	141,015	— 40,337
Vancouver	427,125	165,379	+ 261,746	5,692,608	8,604,185	— 2,911,577
Victoria	57,318	24,806	+ 32,512	947,191	926,004	+ 21,187
Total 14 W. cities	$1,080,108	$1,024,621	+$ 55,487	$ 16,598,401	$ 25,281,321	—$ 8,682,920
Gr. total 44 cities	$7,570,579	$9,720,415	—$2,149,836	$116,098,248	$127,519,614	—$11,421,366



This Gift Brings Many Merry Christmases

By far the best Christmas gift for some people is a Canadian Government Annuity. To an aged parent or other relative, a retiring pastor, an old teacher, or a faithful employee or domestic who has been long in your service, it should bring happiness and contentment through many years.

You may yourself buy the Annuity for the person to whom you wish to present it, or you may join with others in the purchase. Such Annuities may be of any value from $50 to $5,000 a year. They may be purchased at any age, to start at any age you choose, and, of course, will last as long as the life of the Annuitant. There are special plans of purchase by which provision may be made, if necessary, to protect the interests of the Annuitant's dependents.

No medical examination is required. The terms of purchase are remarkably easy. For full information, fill out this coupon and mail it as directed. No postage is necessary, as it is Canadian Government business.

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The Department of Labour,
Annuities Branch,
Ottawa, Ont.

Please send me the "Handbook of Information" and full particulars as to cost of a Canadian Government Annuity. The age last birthday of the person for whom I am considering purchase was..............years.

Full Name ....
(State whether Mr., Mrs. or Miss)

Post Office Address 13a

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TORONTO MONTREAL
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Interior of Robert Simpson Co. Limited Mail Order Building, Toronto, showing Dominion Battleship Linoleum floor.

Constant Hard Traffic Demands Endurance

Typical Dominion Battleship Linoleum and Cork Carpet installations.

Government Building
Dominion Houses of Parliament, Ottawa.
Banks
Bank of Montreal, St John, N.B.
Royal Bank, St. Stephen, N.B.
Business Buildings & Offices
Federal Building, Toronto.
Public Utilities Building, Galt, Ont.
Departmental Stores
Hudson's Bay Co. Ltd., Calgary.
Robt. Simpson Co. Ltd., Toronto.
Other Stores & Restaurants
Tucker's Cafeteria, Toronto.
Essery & Co., Edmonton.
Schools
John Ross Robertson School, Toronto.
Loyola College, Montreal.
Hospitals
Belleville Hospital, Belleville, Ont.
Medical Arts Bldg., Montreal.
Churches
St. James Methodist Church, Montreal.
St. Thomas Church, Hamilton.

DOMINION Battleship Linoleum provides enduring floors in the Mail Order Building of the Robert Simpson Co. Ltd., Toronto. Here it withstands successfully, the heaviest traffic. Loaded hand and parcel trucks bump and rattle over its surface. Footsteps pound and scrape it all day long. Yet Dominion Battleship, after years of this punishment is as good to-day as the day it was laid.

It is sanitary and germicidal, too, and needs only an occasional waxing to maintain its perfect condition. It is quiet and restful, prevents foot-fag and is easily kept clean with light brushing.

Dominion Battleship Linoleum is bringing floor comfort and economy to many of Canada's leading banks, departmntal stores and public offices, buildings.

Made in four standard shades—brown, green, terra cotta and grey. Special colors on large contracts. Send for free samples and literature.

Dominion Oilcloth & Linoleum Co. Limited, Montreal

Dominion Battleship LINOLEUM

A Clear Distinction

exists between a savings account and a life insurance investment. Money invested in a life or endowment policy of The Great-West Life has a greater earning capacity and is free from the temptation to spend that is never absent from the savings account.

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG

DEVELOPMENTS OF FAVORABLE NATURE IN U.S.

Improvement in the Business Outlook is Now Reported

NEW YORK.—Important changes for the better in the positions of some of the industries that have been struggling with special problems contributed greatly, during November, to the growth of confidence in the immediate and remote future of business, says the American Exchange National Bank. These changes for the better were manifested in various ways, generally in the form of more or less definite "turns" in the markets. For example, further declines in the price of pig iron were met and turned by the increased demand attracted by the declines; the production of crude oil showed an unmistakable downward trend from the peak; fears that the high price of raw cotton would decrease consumer demand disappeared, and a number of New England mills that had shut down resumed production; the leather industry showed a disposition to face its surplus problem squarely; the woollen markets appeared to have reached bottom, and as a result there was more buying activity; the silk trade is believed by trade opinion to have passed the turn; and some indication of a revival of activity was seen in the shipbuilding industry. These developments concern the industries that have been more or less depressed during the last few months; the industries and activities which accounted for steady employment continued distributive movements and a firm but resourceful credit situation showed few important changes, with the result that employment continued practically full and retail trade remained fair to good. Weekly car loadings held above the million mark; building permits reflected plans to continue operations through the winter; automobile production held well above the expected level, and equipment orders by the railroads increased. Important railroads have completed their equipment and roadbed extension and extraordinary replacement programs for the immediate present, but other roads still have much work of this kind to do and very few have made provisions for the expansion in the demand that will be made upon them for service during the next few years. The Chamber of Commerce of the United States has estimated that the increased facilities that will be needed during the next ten years will call for capital expenditures of about $8,000,000,000. The extraordinary performances of the railroads during the last four or five months were made possible by the skill with which the transportation machinery of the country was managed—practically all available facilities being fully employed during a large part of the time. However, the railroads have succeeded in showing a surplus of cars during a large part of their most active operations. Estimates covering the amount of new building that will be needed were published during the month, the figures also being placed at about $8,000,000,000. These expenditures will make extraordinary demands upon the savings of the country, and the appearance of the estimates at this time gives particular point to the recommendations for tax reductions made by Secretary Mellon.

Conditions Better in Canada Than in States

WINNIPEG. — After attending a banquet at Minneapolis at which were present several hundred millers and those directly interested in the milling industry, representing all parts of the United States and all the principal milling centres of the world, C. W. Rowley, superintendent of the Manitoba and Saskatchewan branches of the Canadian Bank of Commerce, declares that he is convinced that conditions in Canada are equal if not better than in any other country in the world at this time. He said that the general opinion among the implement men and millers of the United States was that the Canadian people were enjoying better conditions than prevailed in the United States.

Potatoes, Corn, Beans Aided by Irrigation

LETHBRIDGE.—At the annual seed fair for the Lethbridge district the exhibits were of an exceptionally high standard and were conclusive evidence of the possibilities for home-grown seed.

Corn was very much in evidence. Corn is comparatively speaking a new crop for Southern Alberta, but with the extension of irrigation it has become a dependable crop.

Beans, too, were prominent among the exhibits. The judges stated that beans of so high a standard were just what the packers were looking for, and they prophesied that Southern Alberta would grow beans on a large scale.

There was a large showing of potatoes; yields of 400 to 500 bushels per acre were not uncommon.

SUCCESS FOR T. O. B.

R. B. Lamb, of Tough-Oakes Burnside, has been notified that the downward extension of the rich north vein opened on the eighth level has been cut on the 900, also another new vein has been cut. Details are not yet to hand. It has been predicted that if this development came out as expected the mill would likely be started at once.

How Business Is

Mild weather has interfered with the movement of seasonal goods, particularly articles of apparel, but a satisfactory holiday trade is reported from most parts of the country. In Western Canada business is showing improvement in Alberta and Saskatchewan and on the coast, but in Manitoba buying power is depressed because of the short crop in many localities. Calgary reports less unemployment than a year ago. Collections are improved in sections where there have been good crops according to reports to the implement houses.

The lumber trade in the Maritimes has been rather dull. The drop in exchange affected the British market but an improvement is hoped for when the political situation clears. Some activity in the American market is reported but this is more or less spasmodic. Operations in the woods are being delayed by lack of snow. The domestic fish trade is some better but there is little export demand. From Quebec there are complaints that the cattle market is depressed to a level which is discouraging to the farmers. From Western Canada, however, there is some improvement reported in the livestock situation.

There is little change industrially. In the textile industry the developments in the cotton market have had an unsettling effect. British imports of woollen products are a disturbing factor in the Canadian situation. In steel there is a slowing down in some manufacturing lines but the British Empire Steel Company in the year ending with October had the second highest shipments in the history of the company, totalling about 60,000 tons. Quebec farmers are doing a considerable business in spruce trees for the American Christmas markets, the business having grown to such an extent that it is now being considered from the standpoint of its effect on Canada's forest reserves.

Payments continue generally satisfactory. The unemployment that is appearing in big centres is generally the fault of individuals, not conditions.

Canada Will Buy More British Goods When Capital Comes Out

Trade Follows Investments and Larger British Investments in Canada Will Make the Dominion a Better Customer for the Old Country

From Our Own Correspondent.

MONTREAL.—The United States has over $1,100,000,000 invested in Canadian industry and Great Britain has only about $350,000,000 so invested. This disparity in the American and British investment in the factories of this country, is one definite reason why Canada purchases from the United States four times as much as it buys from the United Kingdom. In the 1923 fiscal year Canada bought goods to the value of $540,000,000 from the United States and goods to the value of $140,000,000 from the United Kingdom. Admitting the contiguity of United States and Canadian markets, and allowing for such factors as the excellent transportation facilities between the two countries the aggressiveness of American advertising as compared to British, and other important influences, it is nevertheless quite reasonable to suppose that the large American investments in Canadian industry have had a definite place in promoting the sale of American goods in Canada.

Is Often Overlooked

This is being realized by some broad-thinking Britishers. R. W. Dalton, senior British Trade Commissioner in Canada, has put it this way: "A further and very important factor in the Canadian market, which is often likely to be overlooked, is that the investment of American capital in Canadian manufacturing industries, as well as in the development of Canada's natural resources, has naturally led to a tendency on the part of those interested financially to purchase from across the border such of their requirements as they need to import." Mr. Dalton points out that the development in the last few years in this direction has been extremely important.

Mr. Dalton takes the view that British investors can hardly refrain for long from putting their money in the attractive investments Canada has to offer. The present situation was unavoidable, owing to the state of affairs brought about by the war. It is doubtful if the great predominance of investment of American capital over the investment of British capital in Canada, which has been witnessed since the war, is likely to continue in such important degree. To quote Mr. Dalton again: "It is almost inconceivable that British investors can continue to abstain from interesting themselves to a very great extent in a country with such enormous potentialities."

How It Works Out

It is not difficult to trace the connection between the investment of capital and the sale of goods. A large American concern—let us say an automobile concern—establishes a branch plant in Canada to serve the Canadian market. There will be a great many parts of the product that cannot economically be manufactured in Canada, and the natural course will be to ship these from the parent factory in the United States or to place orders with other American factories. It may be that steel or some other basic material will be required. The Canadian factory, directed by American influence to a big extent, will place the order in United States. But even before the first automobile has been turned out there will be machinery installed. Again the natural tendency will be to duplicate the machinery standing in the American plant, and this means the placing of an order with an American concern.

On the other hand, let us assume the case of a British manufacturer establishing a plant in Canada. If he is going to duplicate the product he is selling in Great Britain, and that he knows from start to finish, he will bring his machinery out from the British mills, and also ship out parts and raw material. This is a very simple example and relating to branch factories only. British investment in a dozen other Canadian activities will in time increase the sale of British goods in Canada.

Orders for United Kingdom

With the rise in the pound and the resumption of British investment in Canada there will naturally tend to be a greater flow of orders from Canada to the United Kingdom for machinery and supplies necessary for the enterprises in which British capital will become interested. That is why such men as Mr. Dalton state that the importance of this aspect to the situation cannot be exaggerated, and why they hope that British investors will soon be able to get back to their pre-war attitude towards Canadian enterprises.

At the present time hardly a week passes but word comes of some new United States industry expanding to include Dominion domestic and foreign markets in its scope. There is a basis of fact in the statement in the recent bulletin of the Canadian Pacific Railway to the effect that there is an energetic movement in progress in the establishment of branch plants of United States industrial concerns throughout the Dominion.

Advantages of Coming Here

It must be admitted that to the American concern there are advantages in this action that would not extend to all British concerns. Besides including the opportunity of engaging in the Canadian domestic market under the most favorable conditions the American manufacturer who builds a plant somewhere in Canada puts himself in a position with regard to trade with the other countries of the British Empire with which 35 per cent. of Canada's total trade is conducted. Most of the countries of the Empire have preferential tariff rates in force affecting trade with Canada, and the few which have not yet such measures arranged are pre-disposed to trade with British Empire countries, and such measures under consideration.

To again quote the same source, the trade aggression which has marked Canadian development since the war, with the extensive penetration of new countries and the acquisition of fresh markets, has made Canada one of the most favorable countries of the world as a base for the operation of an export trade. The Dominion has skilfully developed the most cordial business relations with 44 countries, and through the widespread ramifications of the government trade and commerce department, is still expanding these. In addition she trades with many of these countries under exceptionally favorable conditions which are equally applicable to the foreign manufacturers manufacturing in and exporting from Canada.

Realizing Our Resources

The Canadian people are rapidly becoming "resource conscious" and are less inclined than formerly to permit factories to be built up in other countries on the foundation of Canadian raw material and natural resources. There is a tendency now to promote as far as economic conditions will permit the complete and final manufacture in the Dominion of Canadian raw material. There have been suggestions of embargo on the export of certain key materials, and further artificial methods of preventing the loss of national income through the export of unmanufactured raw materials may be worked out in the future. Such an attitude on the part of Canada, when implemented by the necessary legislation will provide still further inducement to American and British manufacturers to build their factories in Canada near the supplies of raw material and thus to employ Canadian workmen and Canadian materials, and add to the investment in Canadian enterprises.

Steel and Iron Trades Look for Better Things

The belief that more active business conditions are assured in the iron and steel trade is gaining ground and buyers in most directions are coming forward more freely, says Canadian Machinery. Before the recent advance in the price of pig iron, the majority of large melters broke their reserve of the last several months and covered for the present month, and many for the first quarter of 1924. The past week has seen but moderate commitments in iron, at the prices established a week ago, No. 1 at Montreal, $30.95, and at Toronto, $29.15.

Smaller users continue to purchase in carload lots for immediate delivery. While prediction with regard to future price movement is difficult, an authority on the trade gives his opinion that prices will continue to stiffen, following the apparent tendency of the United States market.

ST. LAWRENCE PROJECT NEEDS CO-OPERATION

Minister of Railways Says the Country's Benefit, not Credit of Individual, Important

In his address at the banquet tendered him in Toronto this week, Hon. Geo. P. Graham, minister of railways and canals at Ottawa, made it clear that the proposed power developments on the St. Lawrence River were matters primarily for the consideration of the federal powers in both countries. He intimated that he "had heard an echo—it may have been in Queen's Park—that some person was going to take charge and let all others get out from under." Against this attitude he took a definite stand, saying that "what we should look for is not particular credit to any individual, but the benefit to the country as a whole."

His attitude makes it clear that Sir Adam Beck or any other individual will not be allowed to trample on existing powers and interests as he may desire, to further ambitious schemes propounded at will. The development suggestions are of great importance and not by stirring up controversy but by the closest co-operation between the Dominion and the Province of Ontario can the latter hope to realize its aims.

The shareholders of the London Joint City and Midland Bank have confirmed the resolution changing the name of the company to Midland Bank, Limited.

THE BELL TELEPHONE COMPANY OF CANADA

NOTICE OF DIVIDEND

A DIVIDEND of two per cent. (2%) has been declared payable at the office of the company, in Montreal, on January 15, 1924, to shareholders of record at the close of business on December 22, 1923.

WM. GEO. SLACK, Treasurer.

Montreal, December 12, 1923.

CANADIAN LOCOMOTIVE COMPANY, LIMITED

DIVIDEND No. 48

NOTICE IS HEREBY GIVEN that quarterly dividends of one and three-quarters per cent. on the Preferred and one per cent. on the Common were to-day declared payable January 1, 1924, to Shareholders of record December 20, 1923.

WM. HARTY, JR., Secretary.

Kingston, Ont., December 10, 1923.

The Bank of Nova Scotia

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 23rd January next, at Eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,

J. A. McLEOD, General Manager.

Halifax, N.S., December 14th, 1923.

OTTAWA LIGHT HEAT & POWER COMPANY LIMITED

PREFERRED STOCK DIVIDEND No. 1a

NOTICE IS HEREBY GIVEN that a quarterly dividend of 1⅝% (one and five-eighths per cent.), being at the rate of 6½% per annum, on the Preferred Stock of this Company has been declared for the period ending December 31st, 1923, payable January 1st, 1924, to Shareholders of record at the close of business on the 20th day of December, 1923.

By Order of the Board.

D. R. STREET, Secretary-Treasurer.

Ottawa, December 7th, 1923.

OTTAWA LIGHT HEAT & POWER COMPANY LIMITED

COMMON STOCK DIVIDEND No. 18d

NOTICE IS HEREBY GIVEN that a quarterly dividend of 1½% (one and one-half per cent.), being at the rate of 6% per annum, on the Common Stock of this Company has been declared for the period ending December 31st, 1923, and payable that date to Shareholders of record at the close of business on the 20th day of December, 1923.

The transfer books of the Company will not be closed.

By Order of the Board.

D. R. STREET, Secretary-Treasurer.

Ottawa, December 7th, 1923.

Mutual Finance Corporation Limited

Notice of Preferred Stock Dividend No. 15.

THE regular half-yearly dividend of 4 per cent. at the rate of 8 per cent. per annum of the Mutual Finance Corporation, Limited, has been declared payable January 18th, 1924, to shareholders of record December 20th, 1923.

The transfer books of the company will be closed between December 20th, 1923, and January 9th, 1924.

By order of the board of directors.

A. F. HEALY, M.P., President.

Windsor, Ontario, December 10th, 1923.

Mutual Finance Corporation Limited

Notice of Common Stock Dividend No. 3.

AN annual dividend of 4 per cent. on the Common Stock of the Mutual Finance Corporation, Limited, has been declared payable January 18th, 1924, to shareholders of record December 20th, 1923.

The transfer books of the company will be closed between December 20th, 1923, and January 9th, 1924.

By order of the board of directors.

A. F. HEALY, M.P., President.

Windsor, Ontario, December 10th, 1923.

Your Home and Office Need Genuine

ORIENTAL RUGS

They are everlasting, satisfying, exquisite in colouring and moderate in price when bought from

BABAYANS Ltd. Canada's Largest Direct Importers King & Victoria Streets Toronto

TENDER FOR BONDS

SEALED tenders, marked on the outside "Tender for Bonds," will be received by the undersigned up to noon of 24th instant, for the purchase of $70,000 Town of Campbellton Water Debentures, due 1959, bearing interest at five per cent., payable half-yearly at Campbellton, N.B. Highest or any tender not necessarily accepted.

JOHN T. REID, Town Clerk.

Campbellton, Dec. 8, 1923.

PROVINCIAL PAPER MILLS LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that Dividends have been declared by Provincial Paper Mills, Limited, as follows:

Regular Quarterly Dividend 1¾% on Preferred Stock.

Regular Quarterly Dividend 1½% on Common Stock.

All payable on January 2nd, 1924, to Shareholders of record as at close of business, December 15th, 1923.

(Signed) S. F. DUNCAN, Treasurer.

THE BANK OF TORONTO

ANNUAL MEETING

THE annual general meeting of shareholders of this bank will be held at the banking house of the institution, corner of King and Bay Streets, Toronto, on Wednesday, the 9th day of January next, the chair to be taken at noon.

JOHN R. LAMB, General Manager.

The Bank of Toronto, Toronto, November 20th, 1923.

DIVIDEND NOTICE

The British American Oil Company Limited

THE usual quarterly dividend of Two per cent. (2%) for the fourth quarter of 1923, and a bonus of Two per cent. (2%), has been declared on the paid-up Capital Stock of the Company. The above dividend is payable January 2nd, 1924, to Shareholders of record at the close of business on the 22nd day of December, 1923.

Share Warrant holders will please present coupons, Serial No. 8, to the Buffalo Trust Company, Buffalo, N.Y., on or after January 2nd.

By order of the Board.

A. L. ELLSWORTH, Secretary.

Toronto, December 6th, 1923.

SOUTHERN CANADA POWER COMPANY, LIMITED

DIVIDEND No. 16

A DIVIDEND of One and one-half per cent. (1½%) on the PREFERRED STOCK OF SOUTHERN CANADA POWER COMPANY, LIMITED, has been declared for the quarter ending December 31st, 1923, payable January 15th, 1924, to shareholders of record December 31st, 1923.

By Order of the Board.

L. C. HASKELL, Secretary-Treasurer.

Montreal, November 23rd, 1923.

Dominion Power and Transmission Company Limited

NOTICE IS HEREBY GIVEN that Dividend No. 49 at the rate of seven per cent. (7%) per annum on the Cumulative Preference Stock of this Company has been declared for the half year ending December 31st, 1923, and that the same is payable on January 15th, 1924, to Shareholders on record on the 31st day of December, 1923.

The Transfer Books for the Preference Stock of the Company will be closed from the 26th day of December, 1923, to the 31st day of December, 1923, both days inclusive.

By order of the Board of Directors.

WM. C. HAWKINS, Secretary.

Hamilton, Ont., 8th December, 1923.

Abitibi Power & Paper Company Limited

NOTICE IS HEREBY GIVEN that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable the 2nd day of January, 1924, to shareholders of record at the close of business the 20th day of December, 1923.

By Order of the Board.

L. R. WILSON, Secretary.

The Toronto General Trusts Corporation

DIVIDEND No. 110

NOTICE IS HEREBY GIVEN that a Dividend of Three per cent. (3%) has been declared upon the Paid-up Capital Stock of this Corporation for the Quarter ending December 31st, 1923, being at the rate of

TWELVE PER CENT. PER ANNUM,

and that the same will be payable on and after Wednesday, the 2nd day of January, 1924.

The Transfer Books of the Corporation will be closed from Monday, the 17th day of December, until Monday, the 31st day of December, both days inclusive.

By Order of the Board of Directors.

A. D. LANGMUIR, General Manager.

Toronto, November 27th, 1923.

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 147 St. James Street, in the City of Montreal, on Thursday, the 10th day of January, 1924, at 11 o'clock, a.m.

C.E. NEILL, General Manager,

Montreal, December 1, 1923.

THE DOMINION BANK

NOTICE IS HEREBY GIVEN that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1923, and, in addition, a Bonus of one per cent., making a total distribution of thirteen per cent. for the current year—the Dividend and Bonus will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the 2nd day of January, 1924, to Shareholders of record of 20th December, 1923.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, the 30th January, 1924, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT, General Manager.

Toronto, 15th November, 1923.

The Canadian Bank of Commerce

THE annual meeting of the shareholders of this Bank for the election of Directors and for other business will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 8th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,

JOHN AIRD, General Manager.

Toronto, October 26th, 1923.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND

A DIVIDEND of One Dollar ($1.00) per share on the Common Stock of DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st December, 1923, payable January 2nd to shareholders of record December 15th.

By order of the Board,

JAS. H. WEBB, Secretary-Treasurer.

Montreal, December 3rd, 1923.

Laurentide Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of one and one-half per cent. (1½%) has been declared upon the Capital Stock of this Company for the quarter ending December thirty-first, 1923, payable Wednesday, January second, 1924, to Shareholders of record at the close of business December fourteenth, 1923.

By order of the Board of Directors.

W. F. ROBINSON, Secretary.

Montreal, December third, 1923.

The Wabasso Cotton Company Limited

DIVIDEND No. 24

NOTICE IS HEREBY GIVEN that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 31st December, 1923, payable January 2nd, 1924, to Shareholders of record at the close of business on the 14th December, 1923.

By Order of the Board.

JAS. R. RITCHIE, Secretary-Treasurer.

Montreal, November 8th, 1923.

DIVIDEND NUMBER 118

Hollinger Consolidated Gold Mines LIMITED

(No Personal Liability)

A DIVIDEND of 1% on the outstanding capital stock of the Company has been declared payable on the 31st day of December, 1923, on which date cheques will be mailed to shareholders of record at the close of business on the 13th day of December, 1923.

Dated the 6th day of December, 1923.

D. A. DUNLAP, Treasurer.